

THE AWARD-WINNING INDEPENDENT: EDITOR OF THE YEAR, CORRESPONDENT OF THE YEAR



No 3,878

178

# THE INDEPENDENT

WEDNESDAY 24 MARCH 1999

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## BUSINESS REVIEW

THE STAGECOACH KID GROWS UP THE CYBERPUNKS FROM YAHOO! PLUS NEWS, ANALYSIS, INVESTMENT ADVICE

3-SECTION PAPER

# Defiant Serbs torch villages as Europe braces itself for war

KOSOVO WAS where the 20th century's final cycle of Balkan wars began. Now Kosovo is where they will end; not with a peace agreement but, surely now, with the first attack by Nato on a sovereign state in its 50-year history – and, if the worst comes to the very worst, with the first major European land war since 1945.

Last night, as Serb forces continued to sack Albanian villages, the final realistic chance of averting allied airstrikes against Yugoslav targets vanished as first President Slobodan Milosevic, and then the Serbian parliament, rejected demands for a ceasefire and the deployment of a Nato-led international peacekeeping force in the Serbian province.

In further confirmation that war might be at hand, Yevgeny Primakov, the Russian Prime Minister, cancelled a visit to the United States which was due to start last night. The onslaught, which the White House said would be "swift and substantial", could be unleashed as soon as early today.

In a grim interview as he left Brussels for Brussels to report back to Nato, the US envoy, Richard Holbrooke, made no bones of the failure of his last-ditch mission. The circumstances, he declared, were "the bleakest" he had known in his experience of negotiating in the Balkans.

That experience began in 1995, when Mr Holbrooke took the Bosnia crisis in hand, browbeating Mr Milosevic and the other protagonists to the conference table in Dayton, Ohio, and secured a peace which has turned Bosnia into a virtual Nato protectorate. Alas, Kosovo was omitted then. Four years on it has turned into perhaps the gravest Balkan conflict of all.

Mr Holbrooke said that yesterday's talks had been a "watershed moment", after nearly a year of unavailing Western efforts to broker a settlement between ethnic Albanians and Serbs. The Yugoslav President did not want even to discuss either the ceasefire or the foreign peacekeeping force, and "fully understood" the consequences of that refusal, he added. In other words, the time for talking has run out.

That, too, was the message from Western capitals. In the Commons, Tony Blair warned that 65,000 more Kosovars had been driven from their homes by the Serb offensive. The West had made a solemn promise to the ethnic Albanians, and would not permit a new humanitarian disaster in Kosovo. Nor would it tol-

erate further repression by Belgrade that would probably drag Albania, Macedonia and Bosnia – perhaps Greece and Turkey, too – into "disintegration, chaos and disorder on the doorstep of the European Union".

Later, the Prime Minister even more plainly donned the mantle of commander-in-chief, addressing "those British pilots who may be called into action, their families... all those people who are part of the armed forces... I would not ask them to undertake this if I did not believe it was necessary".

In Washington, the mood was equally sombre. Congressional

almost mocking intransigence, earlier wavers in the alliance – such as Italy, Germany and Greece – seem to have thrown their weight, however reluctantly, behind airstrikes.

"Nato is now united and prepared to carry out its warning," President Clinton said. "If President Milosevic is not willing to make peace, we are willing to limit his ability to make war."

The threat has been heard a dozen times; this time, however, it rang true – perhaps explaining why the Yugoslav leader yesterday sacked his army's security chief. Analysts saw the step as continuation of a purge of senior officers opposed to a confrontation with the West.

Last night, the main political factor staying Nato's hand disappeared when Mr Primakov, leader of the country which is Belgrade's staunchest ally and categorically opposed to Nato airstrikes, called off his US visit. To have launched attacks at the very moment that Mr Primakov was in the Oval Office would have been an insult which even the present state of the US's relations with its former superpower rival would hardly justify.

Otherwise, military preparations are virtually complete. The hope now is that one crushing blow against key military installations will suffice to convince President Milosevic to change his mind and accept the international peacekeepers.

If not, matters could quickly escalate, even to the point where a Nato ground invasion – something the allies have vowed they will never do – was the only option left. That is a nightmare scenario which no leader in the alliance has yet publicly confronted, but was implicit in the warning of one Nato defence minister visiting London yesterday: "Kosovo is not Bosnia. It needs a political solution, a military solution does not exist."

But in the end, that solution will be up to Mr Milosevic. In 1987, as an ambitious younger member of the Serbian Communist Party's central committee, he went to Kosovo, the spiritual cradle of Serbia, and made the speech that launched today's Serbian nationalism. Two years later he stripped Kosovo, and the 90 per cent ethnic Albanian majority of its population, of its autonomy. By then, Croatia, Slovenia and Bosnia had read the Serb writing on the wall, and left Yugoslavia. But Kosovo, where it all started, remained a tightly controlled part of Serbia. Now, in the last Balkan war, Serbia may lose even its heart.

The real question last night was when the air attacks might start. Faced with the fresh tide of refugees and Mr Milosevic's

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leaders of both parties rallied behind President Bill Clinton's call for support for military action. The sense was that airstrikes were all but inevitable.

On the ground, all seemed set for war. As Yugoslavia and Serb forces confirmed the offensive in the Drenica valley in the north of Kosovo – a strategy which had prompted speculation that the Yugoslav president was staking out the ground for a partition of the province – an ominous calm descended on the capital, Pristina, to the south.

After a spate of bombings, Serb police rampages and tit-for-tat killings, the city was deadly quiet. Tightening the vice, the Yugoslav authorities also closed the southern border, thus preventing Albanians fleeing to Macedonia.

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A Serb policeman in the Drenica region of Kosovo during clashes with Albanian rebels yesterday Srdjan Ilic/AP

'We're waiting for the bombs'

BY EMMA DALY  
in Pristina

WAR CAME to the capital of Kosovo yesterday for the first time since the conflict began in the rolling hills a year ago, as Serb police surrounded Albanian neighbourhoods, smashed down doors in search of weapons and beat any men unlikely enough to be found.

Pristina was crawling with armed police. We decided to drive north. A few miles away, we spotted houses ablaze on the hillside and stopped, just as 50-odd dilapidated army vehicles rolled by. A soldier in a black mask, atop an armoured personnel carrier, flashed us the three-fingered Serb salute. He was all smiles. But then a car screeched to a halt and cut across our path. A civilian armed with a Kalashnikov: "It's OK," we said, as calmly as possible. "We're journalists." He inspected our Yugoslav press cards, and then waved us on.

Fear is not confined to the Albanian population in Kosovo. The Serb minority lives here in terror of the KLA. But most of the victims are Albanian. The red-tiled houses on the southern edge of Pristina were emptying fast as families left, carrying back-packs and plastic bags, to the sound of artillery boomerang to the west.

But Mustafa Pacoli lay under a blanket, unable to move after a visit from the police. He is 82.

"They hit him on the head with that," his daughter Sevdije said, pointing to a small wooden table. "They were shouting, 'Where are your sons? Where is your gun?' Your sons are in the KLA."

Back in Pristina, two Serb policemen killed by the Albanians were buried. "The situation is explosive, everyone is waiting for the (NATO) bombing," said Malis Gashi, at the funeral of Arsim Kelmendi, an Albanian killed in a retaliatory attack on a cafe.

"When the Serbs leave a place they always destroy it first... I'm afraid they will do it in Kosovo."

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THE INDEPENDENT ABROAD

Australia 6.90 AS Israel 1.10 SA  
Belgium 5.60 PT Luxembourg 0.611  
Canada 1.50 CS Italy 0.65  
Congo 1.21 CZ Netherlands 0.50  
Denmark 0.50 DK Norway 0.50  
Finland 1.00 FM Singapore 0.50  
France 1.60 FM Spain 0.50  
Germany 1.20 NL Sweden 0.50  
Greece 0.50 NL Turkey 1.20  
Ireland 0.50 USA 0.50

\*Figure quoted refers to both single company and general PEP investors. Halifax Unit Trust Management Limited, Registered in England No. 2792006, Registered office: Trinity Road, Halifax, West Yorkshire HX1 2BG. Regulated by the Personal Investment Authority and IMRO. A member of the Halifax Financial Services Marketing Group which offers life assurance, pensions and unit trusts. Halifax Unit Trust Management Limited is a subsidiary of Halifax plc. To ensure we provide consistent customer service, calls may be recorded. Tax free gains free from income and capital gains tax. Island Revenue investment limits apply. Tax rules may change in the future. ISAs will replace PEPs from 6/4/99. Figures are an average of the three Total Return Mandate funds as at 1/2/99: the Halifax Growth Trust which has grown by 94.1% and the Halifax Income Trust which has grown by 98.03% since 9/1/95, and the Halifax Balanced Trust which has grown by 67.08% since 9/1/95. The Halifax PEP Total Return Mandate fund has grown by 65.64% since its launch on 4/7/94, £1,200 invested in the Halifax PEP Total Return Mandate fund from 9/1/95 to 1/2/99.

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## Labour bans poll criticisms

BY ANDREW GRICE  
Political Editor

TONY BLAIR was engulfed in a new row over "control freakery" last night after the Labour leadership decided that candidates who complained about the running of internal party elections could be disqualified.

Labour's ruling National Executive Committee (NEC) agreed to bring in a new code of conduct for party elections to prevent disputes over their handling becoming public.

The move comes after allegations that running totals of how votes were being cast in last year's elections to the NEC, and the recent lead of Labour's leader in Wales, were leaked to national party bosses during the ballot, enabling pro-Blair candidates to maximise their votes.

Four left-wing members of the NEC voted against the reforms. Liz Davies, one of the four, said: "There are several stipulations which are wholly

unnecessary restrictions on the democratic rights of Labour Party members. This is part of the drive to silence dissent."

The left-wingers also criticised the NEC's decision yesterday to suspend the constituency party in Newark, Nottinghamshire, after the conviction last week of Fiona Jones for making false declarations on her general election expenses.

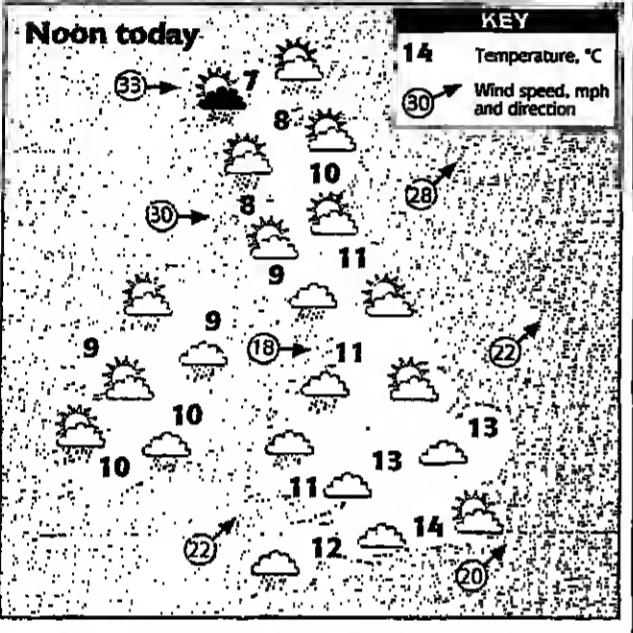
Mark Seddon, a left-wing NEC member, said: "It is not a good idea to close down the Newark Labour Party. The whistleblowers should not be disciplined."

But Vic Hall, secretary of the Newark Labour Party until its suspension, said: "This is the news we were waiting for. It means the party can move forward and mount an effective campaign in the elections."



Chris Milford abseiling in the nave at St Mary and the Virgin church in Marden, Gloucestershire. He and a colleague, Norman Stanier, from the firm Wallwalkers, are to repaint the interior, parts of which date to Norman times PA

### BRITAIN TODAY



#### FORECAST

General situation: Northern England, Wales and south-west England will be mild but mostly cloudy with outbreaks of rain, including some heavier showers over the hills. The Midlands, East Anglia and south-east England will be mostly dry and mild with some patchy rain. The best chance of rain will be over the far east. Overnight rain will clear southern Scotland to leave all of Scotland and Northern Ireland with a blustery mix of sunshine and showers. The showers most frequent in the west.

London, SE & East 5 England, E Anglia, Midlands, E Englands: Mild and dry with some light showers. A moderate south-westerly wind. Max temp 13-14°C (52-57°F).

NW England, Wales, Lake Dist., Isle of Man: Mostly cloudy with minor moving rain, heaviest on hills. A moderate south-westerly wind. Max temp 11-14°C (52-57°F).

Chained Is., SW England: Increasingly cloudy with patchy light rain. A moderate south-westerly wind. Max temp 11-14°C (52-57°F).

Cent N & NE England: A few sunny breaks at first but cloud will increase bringing some rain. A fresh north-westerly wind. Max temp 11-14°C (52-57°F).

NW & NE Scotland, Aberdeenshire, N Islets: Any overnight rain will become concentrated over the hills. Other areas will have some patchy blustery showers. A strong west to south-westerly wind. Max temp 9-12°C (48-54°F).

SE & E Scotland, Edinburgh, Glasgow, W Islets: Early rain will clear to leave sunny spells and showers, the showers most frequent in the west. A fresh west to south-westerly wind. Max temp 9-11°C (48-52°F).

N Ireland: Early rain will clear to leave sunny spells and blustery showers. A fresh west to south-westerly wind. Max temp 9-11°C (48-52°F).

#### OUTLOOK

Scotland and Northern Ireland will be cool and windy with sharp showers. Central and south-eastern England will have rain but elsewhere it will gradually brighten up under a cold but sunny start rain will spread across Scotland and Northern Ireland on Friday; other areas will also cloud over.

#### TRAVEL

London: A12 Green Man Roundabout, Cheltenham: Closed due to roadworks. Major diversions in place until 1st June. M1 link road: Until 31st December. Bristol: M5 J18-19. Major roadworks on Avonmouth Bridge. Until 23rd June 2001. Warwickshire: M40 J12. Major roadworks and diversion. Until 23rd April. South Yorkshire: M1 between J34 Tinsley Valley and J35 Doncaster. A46 (A6178) Sheffield, Camperdown is reduced to two lanes southbound. Until 21st November 2000. Gloucestershire: A40 Lansdown Rd.

### LIGHTING UP

	Extremes
Belfast	6.44pm to 6.15am
Birmingham	6.27pm to 5.59am
Glasgow	6.29pm to 6.03am
London	6.20pm to 5.53am
Manchester	6.29pm to 6.01am
Newcastle	6.27pm to 5.57am

For 24hrs to 2pm Tuesday

### HIGH TIDES

	AM HT	PM HT
Aberdeen	11.53	1.12
Avalon	10.27	3.9
Bathurst	10.32	4.0
Bideford	10.39	4.2
Dun Laoghaire	12.25	3.7
Falmouth	10.03	4.5
Greenock	4.52	3.3
Holme	2.43	1.9
Hull (Albert Dk)	11.00	7.8
Kings Lynn	11.07	5.7
Lelis	7.26	4.9
Liverpool	3.41	8.2
Lowestoft	10.05	5.9
Newquay	11.27	1.5
Portland	4.00	4.3
Porthleven	12.33	4.2
Rosslare	3.57	3.0

Height measured in metres

### AIR QUALITY

Today's readings		
No2	SO2	NOx
London	Good	Good
S England	Good	Good
Wales	Good	Good
C England	Good	Good
N England	Good	Good
Scotland	Good	Good
N Ireland	Good	Good

### SUN & MOON

Sun rises: 05.55  
Sun sets: 18.20  
Moon rises: 10.24  
Moon sets: 01.32  
First Quarter: Today

### WEATHERLINE

For the latest forecasts dial 0891 5009 followed by the last 3 digits for your area. Meteowatch: 0891 5009. Call charged at 50p per min (inc VAT).

### RAIN OR SHINE

WINDS AND heavy rain battered north-west Australia yesterday as Cyclone Vance, already responsible for flattening more than 100 homes, continued its destructive march inland.

Meteorologists logged winds of 165mph, the strongest recorded on mainland Australia.

Residents of Kalgoorlie, 550 miles east of Perth, were sandbagging their homes as the cyclone approached.

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### YESTERDAY

	Min Temp	Max Temp
Aberdeen	0.2	1.0
Angus	0.1	1.0
Avalmore	0.1	0.3
Belfast	1.4	0.3
Birmingham	1.2	0.9
Bournemouth	0.5	1.2
Bristol	0.9	1.1
Buxton	0.1	1.1
Cardiff	0.2	1.1
Clacton	3.5	1.0
Colchester	1.0	0.8
Edinburgh	1.5	0.3
Fife	0.4	1.1
Fishguard	0.4	1.1
Glastonbury	3.8	0.2
Hastings	0.1	1.2
Hove	5.7	0.10
Isle-of-Man	3.3	0.10
Isle-of-Wight	4.3	0.13
Jersey	4.3	0.13
Kendal	2.1	0.10
Lerwick	0.6	5.1
Lincoln	2.3	0.11
Lovestoft	2.3	0.11
Manchester	0.5	1.1
Margate	3.4	0.10
Morecambe	5.1	0.3
Newcastle	5.1	0.10
Norwich	2.0	0.3
Oxford	1.7	0.11
Penzance	3.1	0.10
Scarborough	3.1	0.10
Shrewsbury	0.6	0.9
Southwold	0.4	0.9
Swanage	5.3	0.12
Tenby	0.4	0.10
Torquay	5.5	0.13
Weymouth	6.2	0.11

Height measured in metres

### THE WORLD

#### EUROPE NOON TODAY

Key: Below 0°C

0-10°C

11-20°C

21-30°C

Over 30°C

### THE ATLANTIC NOON TODAY

Key: Isobars, air pressure in millibars, fronts

Clouds, drizzle, rain, thunder. Most recent available figure, moon local time.

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Late booking Easter  
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# Straw ready to water down Lawrence report proposals

BY IAN BURRELL  
Home Affairs Correspondent

THE HOME Secretary, Jack Straw, said yesterday that he was taking "personal responsibility" for building an anti-racist society by implementing most of the recommendations of the Macpherson Report into the racist murder of black teenager Stephen Lawrence.

But Mr Straw will have disappointed the inquiry team by raising objections to several of its key suggestions.

In particular, Mr Straw expressed "serious reservations" over the recommendation to consider prosecuting for racist language in the home.

The Home Secretary will personally chair a steering group, which will include representatives of police and ethnic organisations, which will be driving through a raft of measures called for in the Macpherson Report.

Although he agreed to look at the issue, Mr Straw said: "We need to balance the concerns expressed with the right to privacy and family life and freedom of speech."

Mr Straw also stressed that his acceptance of the "double jeopardy" recommendation by Macpherson, which would allow people to be tried twice for the same offence where fresh evidence was presented, was no more than a commitment to "consideration" of the issue.

The Home Secretary will personally chair a steering group, which will include representatives of police and ethnic organisations, which will be driving through a raft of measures called for in the Macpherson Report.

A feasibility study has been ordered into the setting up of a new independent complaints system to investigate complaints made against police officers by members of the public.

Police officers will also be subject to disciplinary proceedings where they are found to have used racist words or

committed racist acts. Police are to be made subject to the Race Relations Act as a Government priority, making chief constables legally responsible for the actions of their officers.

The Home Secretary accepted Macpherson's wider definition of a racist incident - where any interested party considers that there was a racial element to what took place - and said this would be universally adopted by police and other agencies.

Mr Straw said he was anxious that, unlike Lord Scarman's report inner city riots in

1981, the Macpherson report should be a platform for "real practical change". "The trouble with Scarman was that it was seen as a bolt-on extra, and it didn't become infused into the police service or its culture," said Mr Straw.

But the Macpherson team is likely to be disappointed by the Home Secretary's inclusion of a series of caveats.

Although Mr Straw has promised to include policing in new Freedom of Information legislation, he wishes to exclude details relating to informers, investigations and prosecutions.

The Home Secretary is committed to disciplining police officers found to be responsible for racist words or actions, but said that dismissal in such cases could not "be applied in a generalised way because each case must be decided on its merits".

He also said that Macpherson's suggestion that retired police officers should be liable to being disciplined for up to five years after retirement "needs further consideration".

Mr Straw's Action Plan will be debated in the House of Commons next Monday.

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## Corner stones of history a 'myth'

BY ROGER DOBSON

ONE OF the most famous odysseys of prehistoric man may never have happened.

For more than 70 years, the popular theory surrounding the building of Stonehenge has been that the key bluestones were transported by land and sea on a journey from the Preseli mountains in south-west Wales to Wiltshire.

Geologists and archaeologists have long supported the 216-mile epic-trek theory, despite the Herculean effort that would have been involved in moving 80 stones, each weighing around four tons, with little more than muscle-power.

But according to a book being published next week by one of the foremost authorities on stone circles, the epic trek almost certainly never happened.

The stones may well have been taken from Wales to Wiltshire, but it was ice-age glaciers that carried the rock, rather than prehistoric man. The builders of Stonehenge, about 4,600 years ago, simply used what had become local stone.

Aubrey Burl, an archaeologist who has studied stone circles for more than 30 years, rejects the idea that the Welsh stones were chosen because of their magical powers, and says there is irrefutable evidence that the same kind of Welsh stone was on Salisbury Plain



Dawn over Stonehenge. An archaeologist says that glaciers, rather than man, carried the four-ton stones 216 miles to Wiltshire. Kippa Matthews

before Stonehenge was built. He also lists evidence in the Yale University Press book, *Great Stone Circles*, of glacial deposits - known as erratics - of the Welsh stone along a line between Preseli and Wiltshire.

Stonehenge is made up of two types of stone, sarsens from the

Avebury area 18 miles north of Stonehenge, and a mix of dolerites (bluestones) from the Preseli mountains. It was the geologist Herbert Thomas who in 1923 linked the bluestones with the Carn Menyn ridge of the Preseli mountains.

"Since that time it has been popularly accepted that the stones could only have reached Salisbury Plain by human effort," Mr Burl said.

But he added that research showed that prehistoric societies did not move massive blocks from any great distance. "When there was convenient

stone they used stone. When there was not they used timber or earth," he said.

At Stonehenge, "the discoverers [of the stones] may have ambitiously planned a concentric circle for the 83 holes, but when the last bluestone was unearthed and the countryside

[and] the scheme was modified into a less impressive single circle of about 57 stones. Even in the golden age of prehistory there could be blunders, and Stonehenge was no exception."

□ *Great Stone Circles*, published next week by Yale University Press, £19.95.

## GPs targeted in drive to curb costly drugs

FAMILY DOCTORS who dispense expensive brand-name drugs are to be targeted in a drive that could save the NHS £26m a year.

Ministers are considering radical reforms to the way GPs dispense the medicines as part of a wider review to cut profiteering by pharmaceutical companies. The Department of Health review follows research showing health authorities could wipe out their drug budget deficits if more generic medicines were prescribed instead of branded drugs. Generic drugs are often just as effective as brand names but GPs are bombarded with marketing and gifts from big pharmaceutical companies.

BY PAUL WAUGH  
Political Correspondent

The Government has already set a target of 72 per cent of all drugs to be dispensed as generic by 2002 but ministers are concerned that urgent action is needed to reach the figure. Had generic drugs been prescribed in the NHS last year in place of branded versions, £26m would have been saved, all but wiping out the £30m per cent of the cost of the drugs they prescribe.

Critics say the doctors, who often work in rural areas, bank the income or spend it employing locums to cut their workload and "spend more time on the golf course". On average, more than 74 per cent of drugs prescribed by dispensing GPs are branded.

The review will also aim to tackle the practice of drug companies selling their products as loss leaders to hospitals while

simultaneously selling them at high prices to GPs and pharmacists.

Once a hospital consultant has put a patient on the drug, GPs are pressed to keep them on the same medication, allowing pharmaceutical firms to make huge profits. The difference in price between a hospital and community surgery can

pension GPs' nice little earnings and the hospital-led prescribing are costing the NHS £56m a year," he said last night.

"Every penny wasted on branded drugs is a penny which should be spent on health care. The money saved would pay for 4,000 nurses' salaries or allow us to abolish dental charges in England."

### RECALL NOTICE

## brother® Domestic Sewing Machines

This is an important safety notice to owners of the following Brother sewing machines:

VX 1120	VX 1120S	VX 1125	VX 1130
VX 1140	VX 1145	VX 1400	VX 1410
VX 1420	VX 1430	VX 1440	ONLY 240v-220v MODELS

Our continuous Quality Control Programme has identified a potential electrical safety hazard which may occur on the above models.

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## Family convicted over £3m 'fraud factory'

BY PETER BEAL

TEN MEMBERS of a family were convicted yesterday of setting up a "fraud factory" aimed at netting almost £3m in false injury and benefit claims.

The ringleader, Mohammed Sharif, 58, faced six road accidents so family members could make false claims against insurance companies. Preston Crown Court heard.

Two daughters, Yasmin Sarwar, 25, and Parveen Sharif, 30, were each twice recorded as victims of "accidents" in six months involving cars driven by their father. Other family members used false names to pose as independent witnesses.

One of Sharif's sons, Zulfiqar, 22, pretended for 15 years to have been left in a persistent

curiosity and the Criminal Injuries Compensation Board.

They were estimated to have been paid £230,000 in false claims, £211,000 of which was transferred to banks in Pakistan the day after their arrests in 1996. The total amount of claims was £2.8m.

The judge, Mrs Justice Steel, remanded Sharif in custody for sentence in May. The others were given bail. The judge warned all of them they faced jail sentences.

"The offence is quite exceptional in the scope and the scale of the blatant dishonesty and cheating which was practised on the various agencies defrauded in this case," she said.

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# Otters to be tempted back to the river Thames

A PROJECT to tempt otters back to the Thames was launched yesterday by Sir David Attenborough, the wildlife broadcaster, and Michael Meacher, the Environment minister, who posed with two tame otters near Maidenhead in Berkshire.

It is hoped that by improving the riverside habitat and water quality, the three-year, £170,000 scheme will encourage the mammals to return to the river and its tributaries in Surrey, Berkshire, Buckinghamshire and Oxfordshire.

Wild otters were last resident in the Thames region in the 1970s, before intensive agricultural pesticides and damage to their habitat led to their decline.

Sixty otters have been found in the area in recent years, suggesting that a small number of transient otters are seeking territories in the Thames region.

Local people will be involved in recovery efforts and in raising awareness of the plight of the otter.

Sir David said: "The otter is

BY LINUS GREGORIADIS  
one of our most enchanting animals. Everyone will benefit if we succeed in this. It is a chance for us to put right some of the damage done to our wildlife."

Between the late 1950s and the 1970s otters were brought to the verge of extinction by a mixture of hunting, pollution and encroachment on their environment by expanding towns.

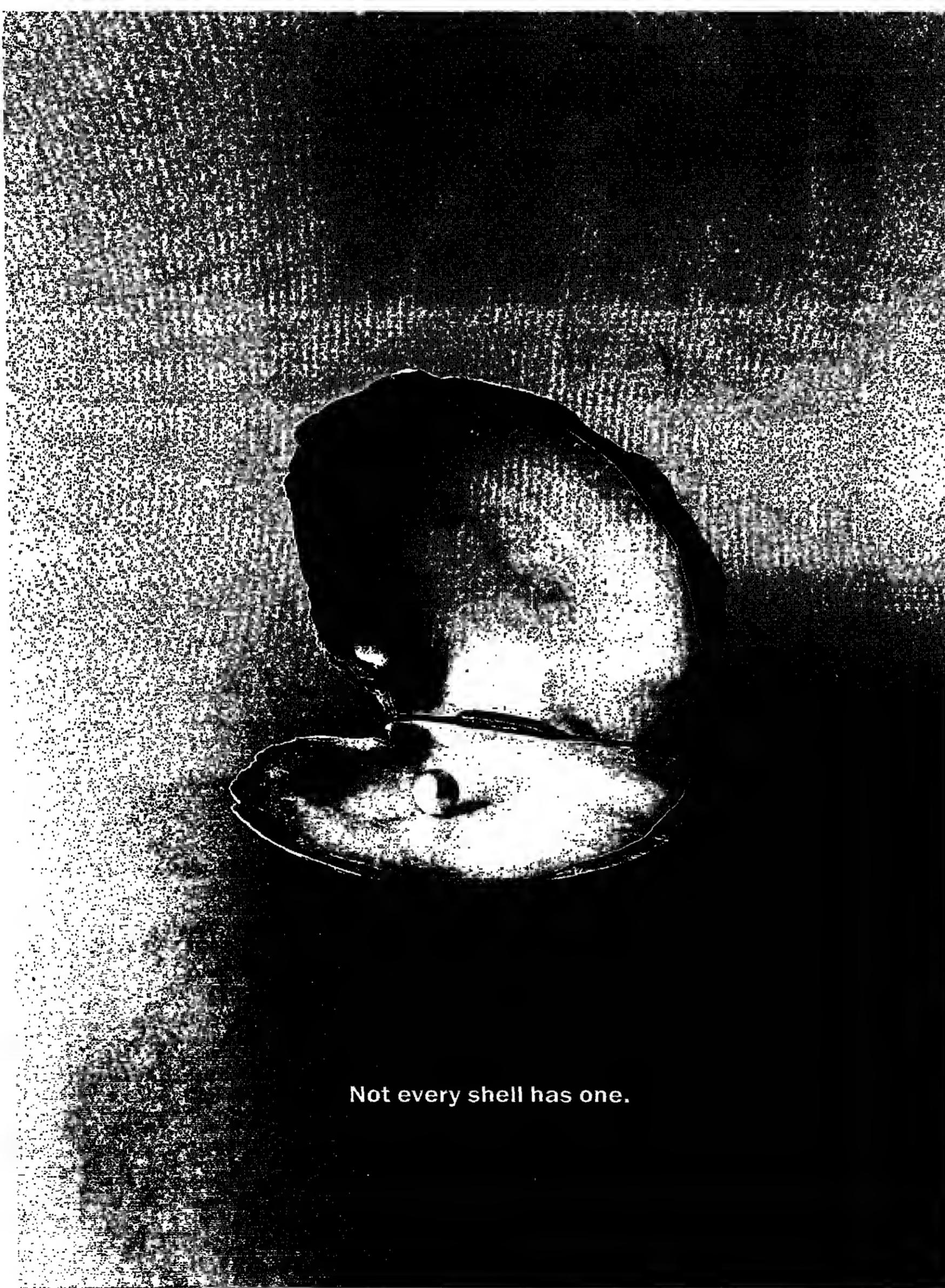
Contamination by agricultural pesticides and fertilisers was pinpointed as one of the main causes of the decline, causing fish stocks in rivers to dwindle and starving otters from their natural habitat.

Conservation efforts over the past 20 years have seen the British otter's fortunes restored, with numbers reaching 3,000. The Government has pledged to reintroduce the otter to all its pre-1960 habitats by 2010.

The scheme is part of the National Otter Biodiversity Action Plan, which was launched last summer.



Sir David Attenborough holds an otter at the launch of a campaign to counteract pollution and restore the animals to their former riverside habitat Dylan Martinez/Reuters



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## Spending watchdog attacks IT 'chaos'

THE IMMIGRATION service was reprimanded by the Government's spending watchdog yesterday over a computer system which has sunk the department into chaos.

A "too ambitious" £77m private contract to install the system at the Immigration and Nationality Directorate (IND) has led to months of delays for thousands of applicants, including international business people, foreigners living in the UK and individuals requiring work permits.

The National Audit Office (NAO) said in a report that government departments should carefully consider whether such computer projects were achievable, even where prospective suppliers made enthusiastic bids for the work.

The immigration department's computer project is already lagging 14 months behind schedule and is unlikely to be fully operational until next year.

The delay, which has been exacerbated by the problems of relocating the IND's offices in Croydon, has infuriated the Home Secretary, Jack Straw, who told MPs this week that he "deeply regretted" the deterioration in the immigration service. He said the problem was the greatest managerial challenge faced by the Home Office.

Mr Straw, who visited the IND yesterday, has told the private contractor, Siemens Business Services, to draw up a plan to deal with the delays.

The aim of the Siemens project, which was agreed in 1996, was to switch from a paper-based to a computer-based system to speed up decisions on immigration and asylum cases.

The IND employs 1,400 and spends £67m a year dealing with 400,000 cases.

BY IAN BURRELL  
Home Affairs Correspondent

The NAO report found that problems with the computer project began after it was decided to abandon plans to use existing information technology packages and instead introduce tailor-made software. This meant that the introduction date was put back to June 1999.

The report warned that there could be more problems if the timetable slipped further because most of the limited software in use by the directorate was not year-2000 compliant.

Sir John Bourne, head of the NAO, said: "There are many examples of bespoke projects such as this one which in retrospect can be seen to have been too ambitious, despite there having been enthusiastic bids for the work from prospective suppliers."

David Davis, chairman of the Commons Public Accounts Committee, said the IND was in "chaos". He criticised the decision taken by the Immigration minister, Mike O'Brien, to move offices, implement business changes and complete the computer project at the same time.

He said: "Whilst there has been a substantial transfer of risk to the contractor, ultimately, if the project is delivered late, or not at all, the taxpayer will foot the bill."

The problems come as the Immigration and Asylum Bill is going through Parliament, with proposals for the biggest shake-up in the immigration system for decades, involving an overhaul in the organisation and working methods of the IND.

However, if the IT project is successful, it will bring substantial savings, the report said.

### IN BRIEF

#### Toll road victory claimed

THE BUILDERS of Britain's planned first tolls motorway claimed victory in the Court of Appeal yesterday over campaigners trying to stop the Birmingham Northern Relief Road. Tom Smith, managing director of Midland Expressway Ltd, said court rejection of an appeal by the campaigners removed the final obstacle to construction.

#### Third pupil dies from meningitis

A THIRD pupil from the same school has died from meningitis in 15 months. The teenager, who attended Notre Dame High School, Liverpool, died yesterday. Health officials said the schoolgirl's death was an isolated case. Pupils boycotted classes at the school after the deaths of Michelle Fleming, 14, and Kelly King in December 1997 and January 1998.

#### Second test tube baby at 55

A WOMAN who lied to doctors about her age to become Britain's oldest test tube mother three years ago has had a second child at 55. Pauline Lyon, from March, Cambridgeshire, gave birth to a boy at Hinchingbrooke Hospital in Huntingdon on Monday. She gave birth to a daughter, Lauren, a month before her 52nd birthday.

#### Chocoholics get taste for reading

A NEW magazine was launched yesterday devoted to chocolate. Chocolate Magazine's editor said Britons were the world's second largest purchasers of chocolate – after Switzerland – and the journal would cater to that interest.



# It's military action – but don't mention the word 'war'

DECLARATIONS OF war have become almost commonplace these days, a routine so familiar in its language that you need to remind yourself exactly what it is you are listening to. Mr Blair, for example, had not been in office for two years and yet he has twice had to perform the gravest task that can fall upon a Prime Minister – that of sending troops to attack a foreign state. It helps that nobody uses the word 'war', naturally, or feels the need for any solemn inauguration of hostilities.

Mr Blair's statement yesterday on Kosovo had its moments of Churchillian apostrophe, it's true,

moments when his deliberate cadences were aimed at a national audience, but the fact that he talked always of "military action" inevitably took the sting out of his words. Military action sounds reassuringly like a one off, an in-and-out operation, and it is crucially qualified by its adjective, which will reassure most people watching the evening news that this has little to do with them. War might conceivably involve us all, "military action" is something performed somewhere else by trained professionals.

Mr Blair needed to warn people that this would not be a bloodless

engagement so he did, coming as close to saying that troops would die as any politician could in such circumstances. He needed also to describe his objective in such a way that opposition sceptics couldn't secure a bridgehead, and he did that too, declaring that the aim of NATO air strikes would be to "curb continued Serbian repression in Kosovo".

What he couldn't concede was that these objectives are virtually impossible to achieve from the air; with surgical strikes on Serbian military capability.

Mr Hague began by offering his support in the ritual manner (quick

## THE SKETCH



THOMAS SUTCLIFFE

genuflection to courage and dedication of the armed forces, brief execration of the dictator in question, matching solemnity of tone). But

the support was heavily qualified. The Conservatives he said, would back bombs but not boots – there should be no ground troops used.

Labour backbenchers muttered unhappily at this reservation but the anxiety was shared by others, and most flamboyantly expressed by the Sir Peter Tapsell (Con, Louth and Hornsby). "Using weasel words to the British public is very wrong," he spluttered, as he outlined his conviction that British blood would inevitably be split in the Balkans. For the first time Mr Blair looked heated as, finger jabbing, he repeated the terms of engagement: "Tell the country the price of your

"policy", shouted back Sir Peter thus forming a slightly startling cross-bench alliance with the Labour Party long-standing Cassandras, Tam Dalyell and Tony Benn. True to form, the latter managed to convey the sense that the gravest element of this crisis was the Prime Minister's constitutional impotence in not allowing the House of Commons to debate the matter first. Alice Mahon (Lab, Halifax) did the sceptics' cause no favours either, with a tremulous insistence that dialogue was preferable to force, a remark that drew disbelieving mutters from disillusioned veterans of Rambouillet.

They will want to fight theirs on the ground.

# Bombing 'will aid Balkan stability'

## KOSOVO

By SARAH SCHAEFER  
Political Reporter

to the mercy of Serbian repression, there was "not merely a risk but a probability of re-igniting unrest in Albania, destabilising Macedonia and almost certain knock-on effects in Bosnia and further tension between Greece and Turkey. We cannot contemplate the disintegration of the EU into chaos and disorder."

William Hague warned the Prime Minister that his party would not be willing to back the use of ground forces to fight for a peace settlement.

Action should have been taken sooner against the Serbs, rather than the issuing of a "string of last warnings and ultimatums ... the credibility of Nato has been called into question," the Tory leader added.

Menzies Campbell, for the Liberal Democrats, told Mr Blair: "The political aim should be to require the Milosevic government to pay such a high price in military assets that it is persuaded, even compelled to return to the conference table?"

Sir Peter Tapsell, the Tory MP for Louth and Hornsby, accused Mr Blair for using "weasel words" with the British

people because air strikes alone would not achieve the Nato objectives.

"What the Government is proposing now is to make war on Serbia and it is a profound political mistake to suppose that Milosevic is not supported by the mass of the Serbian patriotic people, one of the great fighting people of Europe.

"The British people should be told now that we are embarking inevitably in ground operations, that will result in heavy casualties."

But Clive Soley, the chairman of the parliamentary Labour Party, told Mr Blair that the British people had learned "more than anyone else that appeasement does not work". The British people would not allow anyone to for-

give and forget the "barbaric crimes" which had been perpetrated in Kosovo, he added.

Tony Benn, the MP for Chesterfield, said Britain and its allies were "breaking international law", and attacked the Prime Minister for not holding a debate in the House of Commons on the issue.

David Winnick, the Labour MP for Walsall North, said:

"When we listen to the voices of non-intervention, isn't it the case that those who argued for non-intervention were wrong about the Falklands in 1982, wrong about Kuwait in 1991, and certainly wrong about the help of the international community in bringing about a settlement in Bosnia in 1995, so why on earth should we believe they are right now?"

Russell Boyce

Tony Blair, grim and untalkative, leaves Downing Street yesterday to make his sombre statement in the Commons

Photo: PA

Photo: PA</

# Are these the century's finest minds?



**ALBERT EINSTEIN**  
Patent office clerk who became the century's most influential scientist. At 26, developed theory of relativity, basis for advances in quantum physics, space travel and electronics.



**SIGMUND FREUD**  
The father of psychoanalysis. Credited with opening the door to our unconscious selves. Concepts such as ego, repression and penis envy spring from his work.



**ALEXANDER FLEMING**  
Bacteriologist who invented penicillin, world's most effective lifesaver and key to all antibiotics. Found when an experiment was accidentally contaminated.



**ENRICO FERMI**  
Atomic physicist who helped pioneer nuclear fission. Co-inventor and designer of the first nuclear reactor. Hailed as last great physicist to excel both at theory and experimentation.



**WILBUR AND ORVILLE WRIGHT**  
Brothers Wilbur and Orville (above) were bicycle mechanics who made first powered human flight in 1903. Ultimately responsible for the aviation age.



**ALAN TURING**  
Computer scientist who built the world's first calculating machines and laid the groundwork for all computer technology. Committed suicide after prosecution for homosexuality.



**JONAS SALK**  
Virologist who invented the polio vaccine in the Fifties after two epidemics which crippled thousands of children. Suffered from infighting in US scientific establishment.



**LUDWIG WITTGENSTEIN**  
Pioneering philosopher who started out trying to "end philosophy" in 1922 by elegantly codifying all thought in terms of logic. Eventually questioned all original ideas.



**JAMES WATSON AND FRANCIS CRICK**  
Molecular biologists Watson (above) and Crick discovered DNA's double helix, basis of life. Fought opinion in developing theories ranging from crime-fighting to philosophy.



**WILLIAM SHOCKLEY**  
Solid-state physicist and inventor of the transistor, which made computer technology possible. Held radical racial view that black people were inherently less intelligent than whites.



**LEO BAEKELAND**  
Belgian-born chemist who invented the first synthetic plastic - Bakelite. It was discovered in 1909 during his search for an insulating material for the growing electric industry.



**TIM BERNERS-LEE**  
British computer network designer who originated the World Wide Web. Credited with the huge growth of the Internet - 600,000 to 40 million users from its launch in 1991 to 1996.



**RACHEL CARSON**  
Marine biologist who wrote *Silent Spring* in 1962, forerunner of environmental movement. Listed effects of pesticides on wildlife, despite attack by US chemical companies.



**JOHN MAYNARD KEYNES**  
Economist thought of as father of modern economics. Theories on pulling economies out of depression by increasing demand credited with saving capitalism.



**EDWIN HUBBLE**  
Astronomer who formulated theory of Big Bang in 1920s, realising universe beyond the Milky Way was expanding. Einstein said Hubble's contribution helped prove his theories.



**KURT GÖDEL**  
Author of arguably the most important discovery of 20th-century mathematics. His "incompleteness theorem", of 1931, proved wrong nearly 100 years of mathematical research.



**ROBERT GODDARD**  
Rocket scientist who pioneered the technology in the 1930s amid ridicule. Nazis used idea to produce V2 rockets for attacking London, but rockets did put a man on the moon.



**THE LEAKEY FAMILY**  
British family of pioneering anthropologists - Louis, Mary and son Richard (above) - whose work in Kenya revolutionised the understanding of human evolution.



**JEAN PIAGET**  
Child psychologist who developed the theory that children were not empty vessels to be filled with knowledge but had their own logic with which they constructed their world.



**PHILO FARNSWORTH**  
Inventor of the TV tube, after the idea came to him at 14. Died in obscurity. "There's nothing on it. We're not watching it in this house," he told his son.

JOHN DAVISON

A FORMER clerk in the Swiss patent office has been voted one of the most influential minds of the past 100 years - the century that split the atom, invented plastic, landed men on the moon and cloned a sheep called Dolly.

The name of Albert Einstein is synonymous with intellectual power, which explains why he heads the list of the 20 most influential thinkers of the past 100 years.

People as diverse as Ludwig Wittgenstein, the Austrian philosopher; William Shockley, the inventor of the transistor;

BY STEVE CONNOR  
Science Editor

and Sigmund Freud, the discover of psychoanalysis, are among the famous names listed by Time magazine as this century's greatest brains.

But it was Einstein who dominated the 20th century with his two theories of relativity. He published his first, "special" theory in 1905 while he was still a patent office clerk, and his more important, "general" theory in 1916.

James Gleick, the science author, writes in Time that the scientific touchstones of the

among the top 20, including Alexander Fleming, the discoverer of antibiotics, John Maynard Keynes, the influential economist, and Alan Turing the tortured mathematician and computer scientist.

He discovered just by thinking about it, the essential structure of the cosmos," he says.

Sir Martin Rees, Britain's Astronomer Royal, agreed with Time that Einstein dominated the scientific achievements of the 20th century, notably with his general theory of relativity, which explains the relationship between gravity and space.

"If he hadn't come up with his general theory, it might not have been described for several more years. Einstein put

a more distinctive mark on science," Sir Martin said.

Many discoveries came about as a result of good luck and "people who made the greatest discovery don't always have the greatest intellect", he said.

Alexander Fleming's discovery of penicillin, made after an accidental contamination in his laboratory, is a prime example of a lucky accident leading to a major breakthrough.

Francis Crick and Jim Watson, the two Cambridge scientists who discovered the double helix structure of DNA, achieve a place in Time's hall of fame as the co-discoverers of the "secret of life" in 1953.

What others would have done a few years later, said Lewis Wolpert, professor of biology as applied to medicine at University College London.

But being first matters, which is why Crick and Watson are the pioneers of powered flight.

Alexander Fleming's discovery of penicillin, made after an accidental contamination in his laboratory, is a prime example of a lucky accident leading to a major breakthrough.

"Not until decades later, in the age of genetic engineering, would the Promethean power unleashed that day become vivid," the magazine says, referring to late-20th-century developments in biotechnology.

Men dominate Time's list of great thinkers, which includes technology intellectuals such as Tim Berners-Lee, the architect of the Internet, and Wilbur and Orville Wright, the pioneers of powered flight.

But one woman stands out: Rachel Carson, an American biologist, is credited with virtually inventing the environmental movement with her book *Silent Spring*, which alerted the world to the dangers of pesticides.

"Silent Spring", serialised in *The New Yorker* in June 1962, gored corporate oxen all over the country," Time says.

Not surprisingly, Carson was violently assailed by threats of legal action from some of the biggest companies in the United States, including Monsanto, the agrochemicals giant.

"In their ugly campaign to reduce a brave scientist's protests to a matter of public relations, the chemical interests had only increased public awareness. *Silent Spring* became a runaway best-seller with international reverberations. Nearly 40 years later, it is still the cornerstone of the new environmentalism," says Time magazine.

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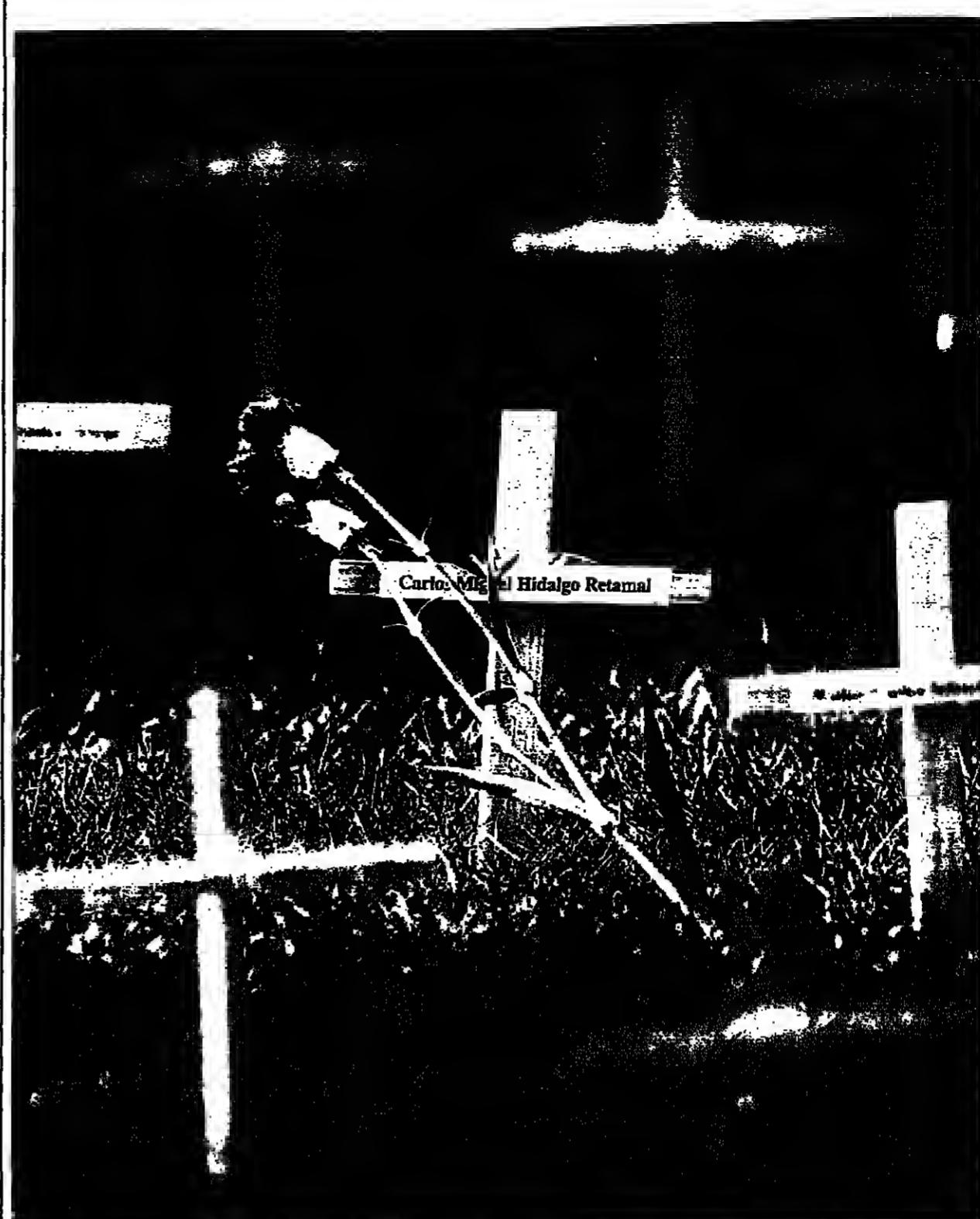
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## Chileans ready to reclaim Pinochet

BY KIM SENGUPTA

A CHILEAN air force plane arrives in Britain today to fly General Augusto Pinochet back home to Santiago if the law lords decide that he has immunity from prosecution on charges of human rights abuse.

On the eve of the ruling there was frantic lobbying yesterday from both sides on the emotive issue, with politicians and public figures flying in from Chile for what may be the campaign's final furlong.

General Pinochet is said to have spent the past few days personally directing operations. The former Chilean dictator and his wife, Lucia, are said to have their bags packed ready to return after coming for a shopping trip which in the end has lasted almost six months.

Former Chilean political

prisoners and their supporters

yesterday kept up their own

pressure, placing 4,000 tiny

crosses on the lawn outside the

Houses of Parliament in memory

of those murdered or

"disappeared" by General

Pinochet's regime. Roberto

Vasquez, a member of the Chile

Committee Against Immunity,

who spent seven years in jail,

said: "Each of these crosses

represents a human life which

was extinguished. We are here

to remind the law lords about

the barbarities that took place

under Pinochet and ask them

to make a stand for the weak

and the oppressed."

If the law lords decide that

the general has immunity from

prosecution, he will be able to

leave at once. A decision

against him is expected to lead

to an immediate application

for judicial review by his legal

team over the legality of his

original arrest.

If they fail with that there will

be the beginning of extradition

proceedings to Spain, where the

general is wanted on charges

of human rights abuse, which

could last for months.

There was speculation that the

judgment will refuse him

immunity from prosecution,

but at the same time make it difficult for a successful extradition to Spain.

The new panel of seven

judges may uphold the previous

Lords' ruling that General

The Attorney-General, John Morris, has already refused leave for a private prosecution of Britain of General Pinochet for the alleged murder of a British businessman, William Beausire, who was kidnapped in Argentina in 1974. Mr Morris told the Commons that his decision was based on advice from government lawyers that the 1988 Act was not retrospective in relation to British law.

However, the Spanish warrant also alleges that General Pinochet was involved in conspiracy to murder with agents of his secret police, DINA, while in Madrid. The Crown Prosecution Service could argue that any Lords ruling about lack of retrospective of the 1988 Act cannot apply to these charges.

Legal sources also say that as long as the principle is established that General Pinochet does not enjoy immunity, the CPS will be able to argue the issue through extradition proceedings, raising the possibility of many months of attritional legal hearings.

Hugh O'Shaughnessy,  
Review, page 4



General Pinochet: Hopes to fly back to Chile today

Pinochet does not get blanket protection from charges of human rights abuse as a former head of state.

At the same time they may

decide that the general cannot be tried for any offences committed in Chile before 1988

when torture became an extra-

territorial offence under United Kingdom laws.

The vast majority of the Spanish charges

against the general relate to be-

fore that year. The only direct

one after that period is the al-

leged torture of a teenage girl.

## Police target city crime syndicates

BY JASON BENNETTO

Crime Correspondent

FIFTY-THREE suspected criminals were arrested yesterday during a massive police operation aimed at cleaning up a notorious inner-city area reputed to be "untouchable".

The move follows a 12-month undercover operation, code-named Victory, aimed at combating drug-dealing, burglary, and theft in Salford, Greater Manchester.

Officers yesterday raided 45 properties in Salford, 11 in other areas of Greater Manchester, and four in Cheshire, Merseyside, and Lancashire. A total of 43 men and 10 women were arrested, and officers recovering drugs worth £250,000 and stolen property worth the same amount. A sawn-off shotgun, two pistols and an imitation gun were also seized.

Undercover officers had bought stolen goods and drugs from suspects in order to compile evidence and draw up lists of targets. The police targeted

## C4 gun-running film 'was faked'

BY RHYD WILLOWS

Itors. This has nearly finished,

said a spokesman.

Channel 4 accepted that one

diarist had a gun-related conviction, but said it had been unaware of this before the broadcast.

This is a sensitive time for factual programme-making. Carlton was fined £2m for its failed drugs documentary *The Connection*, and deception was found in *The Vanessa Show*.

Last year Channel 4 escaped punishment after apologising for a Cutting Edge film called *Rogue Males*, about cowboy builders, which merely filmed reconstructions of incidents.

Bispham has said some scenes were stunted and the producers failed to disclose that one diarist had a conviction for firearms offences and the other was a freelance journalist.

Channel 4 set up an independent investigation of the documentary by outside solicitors.

The independent producer Mary Devine has been banned from the network.

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# • Prescott to halve bus fares of elderly

**JOHN PRESCOTT** yesterday promised that the Government would guarantee half-price bus fares for pensioners, more passenger information and a clampdown on poor performing operators.

"I am looking for the bus industry to provide better quality, better reliability, put more bums on seats and bring in more passengers and not more subsidies," the Secretary of State for the Environment, Transport and the Regions said.

He said that cuts in senior citizens' fares would make a "big difference to the quality of life" for elderly people on reduced incomes, and that he wanted to see all pensioners in England get a minimum half-price discount in exchange for buying an annual travel pass costing no more than £5.

The measure is likely to add millions to local authorities' travel subsidy bills as Mr Prescott said nearly half of all English councils operated less generous schemes. Pensioners in London have free bus

travel, but outside the capital the pattern varies, with some local authorities offering no concession at all.

The measure is unlikely to become reality for months as Mr Prescott needs to win legislative time. The Government said it would consult on all its proposals.

The Local Government Association said it disagreed with Mr Prescott's figures on the current level of pensioner subsidy. It said it was disappointed the Government had failed to give a legislative timetable.

Announcing the plans at a news conference on board an environmentally friendly bus in London, Mr Prescott said he wanted to end the deregulated "free for all" brought in by the Tories. He set out a package of measures to force bus companies to improve services and to bring in tougher powers to crack down on the failures.

He said he would hold a bus

industry summit in the autumn, on similar lines to the rail summit held last month in response to appealing performance levels.

"Buses represent the best opportunity for leading a renaissance of public transport in this country. At the end of the day, it is what the passenger wants that matters," he said.

Other measures, most of

which would need legislation,

include:

■ Forcing operators to notify commissioners of plans to alter the timetable 21 days in advance, to prevent companies launching "bus wars" by running services five minutes ahead of competitors;

■ New laws to allow councils to stipulate service standards, with failure enforced by traffic commissioners;

■ Telephone call or on the Internet;

■ Powers to force operators to offer tickets for use on trains.

Bernard Jenkin, the Conservative transport spokesman, said: "Once again it looks like all talk and no action. Another glossy brochure, another launch, but people's travelling lives are still a misery."

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Democrat spokesman, said: "Waiting for government action on buses is like waiting for a bus in most areas. There is no sign of it turning up and the timetable is missing. Labour promised better buses last July. This consultation document repeats that promise nine months later, but still there is no legislation to put it into action."



John Prescott, Secretary of State for Transport, announcing his plans for the buses yesterday - including fare cuts for pensioners Neville Elder

industry summit in the autumn, on similar lines to the rail summit held last month in response to appealing performance levels.

"Buses represent the best opportunity for leading a renaissance of public transport in this country. At the end of the day, it is what the passenger wants that matters," he said.

Other measures, most of

which would need legislation,

include:

■ Forcing operators to notify commissioners of plans to alter the timetable 21 days in advance, to prevent companies launching "bus wars" by running services five minutes ahead of competitors;

■ New laws to allow councils to stipulate service standards, with failure enforced by traffic commissioners;

■ Telephone call or on the Internet;

■ Powers to force operators to offer tickets for use on trains.

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## Woman drank as girls, 8, drowned

BY ASHLEY BROADLEY

TWO EIGHT-YEAR-OLD girls drowned in a river while the woman who was meant to be looking after them was drinking and smoking cannabis, a court was told yesterday.

Wendy Dodd, 41, pleaded guilty at Leeds Crown Court to wilful neglect of Jasmine Neville and Charlea Fox, who died in the River Wharfe near Arthington, West Yorkshire. A verdict of not guilty was recorded on two counts of manslaughter.

Mr James Stewart QC, for the prosecution, said a group of people, including Dodd, and Charlea's parents, David and Maxine Fox, went to the river on 21 July 1997 for a barbecue to celebrate Charlea's eighth birthday. He said witnesses had described the adults as being "the worse for wear", and told the court that Dodd, formerly of Burley, Leeds, had been left alone with Charlea and Jasmine, also from Burley.

Dodd had seen two gypsy boys and invited them over "for a split", the court heard. It was after this she realised the girls were missing. At 10.20pm divers found their bodies in deep water.

Mr Justice Poole postponed sentencing pending medical and psychiatric reports. Dodd was released on bail.

Robert Fitzgerald, the partner of Jasmine's mother, Joanne Shaw, said: "We are pleased the trial is over."

## City lawyer will be new Rail Regulator

BY PHILIP THORNTON  
Transport Correspondent

THE GOVERNMENT yesterday chose a City lawyer to fill the key £163,000-a-year post of Rail Regulator.

The decision to appoint the surprise candidate Tom Winsor, 41, was seen as recognition that raising investment rather than capping profits of the railway industry was a priority.

He was selected ahead of Chris Bolt, who had filled the post temporarily since December. Mr Bolt set out his credentials last year when he warned Railtrack that he would cap its profits by £10m a year unless it was prepared to take more risks. Railtrack had warned that this meant it would be able to borrow £1bn a year less on the money markets.

Mr Winsor, who will take over on 5 July, will have the task



Winsor: 'Second of three key rail appointments'

of reviewing Railtrack's investment programme.

"This is the second of three key rail appointments which look to the future of the railway industry," said the Deputy Prime Minister John Prescott.

The first key appointment was that of Sir Alastair Morton as chairman of the British Railways Board and also boss of the

shadow Strategic Rail Authority. The third appointment, that of a new director of Passenger Rail Franchising, will be announced shortly.

On Thursday, Railtrack is to announce a £270m investment in Britain's railways over the next 10 years. The first Rail Regulator, John Swift, was critical of the rate of Railtrack investment when he held the regulator's position from 1993 until the end of 1998.

Mr Winsor has been working at the Office of the Rail Regulator since 1993 - first as chief legal adviser and then as a general counsel to the regulator working on reorganisation, restructuring and regulation of the rail industry.

Shares in Railtrack surged two per cent on yesterday's news. One City analyst said: "The only goal that Chris Bolt had was to beat up a few shareholders."

## 'Dirty, filthy lies,' says man charged with war crimes

BY ANDREW BUNCOMBE  
to Britain shortly after the Second World War, is charged with murdering Jews more than 50 years ago, yesterday claimed that he was the victim of "dirty, filthy lies".

During another emotional session at the Old Bailey, Mr Sawoniuk once again insisted he was innocent and accused those witnesses who had spoken against him of fabrication.

"These people are animals," he said. "I have more sympathy with animals than your witnesses. They are not human beings."

Mr Sawoniuk, 78, a retired British Rail ticket collector from south London who moved

to Britain shortly after the Second World War, is charged with murdering Jews while serving as a locally recruited police officer in Nazi-occupied Belarus between 1941-1944. During that time he is alleged to have killed more than a dozen Jews while leading "search and kill" operations, rounding up people who escaped a massacre in September 1942 in which more than 2,900 were killed in one day.

Last week the judge, Mr Justice Potts, dismissed two of the four counts of murder on the grounds of insufficient evidence. The hearing continues.

idece. The remaining two counts contain the details of 18 alleged killings.

Mr Sawoniuk, who took to the stand to speak in his own defence, last week admitted being a police officer in his home town of Domachevo. But he denied murdering the town's Jewish citizens, saying they were his friends.

Yesterday he said he could not have been a member of the SS, as he was accused, he said, by the Metropolitan Police officers who interviewed him, because he could not speak German.

The hearing continues.

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# Clinton says there may be US losses

WITH KOSOVO descending into all-out war and the US special envoy, Richard Holbrooke, heading to Brussels after a failed mission to Belgrade, President Bill Clinton prepared the American public for full-scale military intervention. He also warned that it might lead to US casualties.

Condemning the intransigence of the Yugoslav President Slobodan Milosevic, Mr Clinton said yesterday: "If he will not make peace, we are willing to limit his ability to make war over Kosovo. We will limit his ability to win a military victory and engage in ethnic cleansing and slaughter innocent people." Mr Clinton said that "like any other military action, there are risks in it".

He was addressing an audience of civil servants in Washington in a speech that had been planned to deal with pension reform, but which was rewritten to incorporate an explanation and defence of US policy in the Balkans.

Couched at times in the language of an elementary textbook, the speech was a clear attempt by the President to counter criticism that he had not justified intervention in Kosovo as being in US interests. The speech was broadcast live by all the main US cable news channels.

While preparing the American public for new military intervention overseas, Mr Clinton was faced with a host of dilemmas about its timing. Republicans in Congress, especially in the Senate, were strongly resisting the use of military force over Kosovo.

The expected arrival in Washington of the Russian Prime Minister, Yevgeny Primakov, also contained the

BY MARY DEJEVSKY  
in Washington

seeds of an embarrassing diplomatic rift. However, the visit was cancelled after the Russian Prime Minister ordered his aircraft to turn round in mid-air and return to Russia. "He just turned his plane round in mid-atlantic," a reporter asked the White House spokesman, Joe Lockhart. "That is correct," Mr Lockhart said. Mr Primakov had already expressed his opposition to any use of



Primakov: turned plane round in mid-air

force by Nato before he left Moscow and during a stopover in Ireland.

US military action threatens the work of the international peace-keeping operations in former Yugoslavia - to which Russia contributes - and the concept of the "Partnership for Peace". This programme was designed to foster co-operation between Nato and states along the periphery of the alliance, including Russia.

It would also endanger the image of East-West peace and unity that the US wants to project at next month's celebrations in Washington for the

50th anniversary of Nato. The recent accession of the three new Nato members was held outside Washington and kept low-key so that next month's Nato anniversary did not offend Russian sensibilities by appearing "triumphant".

Authorising Nato air strikes

during US-Russian discussions

about the anniversary arrangements could jeopardise the whole project.

In the event, the threatened congressional revolt turned out to be the least of Mr Clinton's difficulties yesterday.

After an hour-long meeting at the White House - the second in a week - Republican leaders said they would reluctantly support military action and abandoned a motion that would have required the administration to obtain congressional approval first.

Trent Lott, Republican majority leader in the Senate, said that he was preparing to reward a motion opposing military involvement to express mere "reservations" but also support for US troops. "I am going to support the air strikes," said Senator Mitch McConnell of Kentucky, who had been one of the most forthright opponents.

And Senator Kay Bailey Hutchison of Texas told reporters: "Many of us disagree with the policy but I think it becomes a different issue when action is imminent."

"Inmir-nt" was reportedly how Mr Clinton described the likelihood of Nato air strikes. That the decision had been taken at least in principle was confirmed by Pentagon sources who made known that, following the failure of Mr Holbrooke's last-ditch pleas to the Yugoslav president, "the countdown to air strikes has begun".



An ethnic Albanian man fleeing the Serbs in Kosovo waiting outside a refugee registration centre in Skopje, Macedonia, yesterday

Damir Sagolj/Reuters

# British army commander with a tough reputation

BY JOHN DAVISON

degree in Russian at Birmingham University before going on two years' secondment to the Parachute Regiment.

It was after this that he decided to transfer permanently to the regiment in an unconventional move for an ambitious corps officer, and saw two periods of service with them in Northern Ireland before taking command of 1 Battalion from 1984 to 1986.

Lt-Gen Sir Mike Jackson: 'We're here to do one thing'

There is speculation that we have other roles and I want to kill this speculation," said Lt-Gen Sir Mike Jackson. "We are here to do one thing and this is to implement a Kosovo peace agreement when and if it occurs."

The plan is eventually to deploy a total of 23,000 Nato troops in Kosovo to police an agreement on granting the province autonomy from Serbia. Nato has said any hostile move on the part of Belgrade towards the force in Macedonia would be "a great mistake".

Lt-Gen Jackson, a former commander in the Parachute Regiment, has been dubbed "Britain's toughest-looking soldier" in the media and "the Prince of Darkness" by his troops, because of his suntanned features. His own view is simply that he has a "well lived-in face".

His new Balkan role comes because of his position as commander of Nato's Allied Rapid Reaction Corps, which is undertaking the operation. Its headquarters staff of 1,000 officers, of which about half are British, will be supplemented by a further 2,000 troops from the Royal Signals if full deployment takes place.

The mission is Lt-Gen Jackson's second experience of peace implementation in the Balkans, having commanded the British contingent in Bosnia between 1993 and 1996.

After joining the army at 19, he was commissioned into the Intelligence Corps and took a

After a series of staff jobs and the higher command course, in 1989 he spent six months on a fellowship at Cambridge writing a paper on the future of the British army.

He has commanded 3 (UK) Division, the job which took him to Bosnia, and is a former director-general of development and doctrine, the army's own "think-tank".

Lt-Gen Jackson, who celebrated his 55th birthday on Sunday, married his second wife Sarah in 1983. The couple have a son Thomas, aged eight, and Sir Michael has two grown-up children from his first marriage. His interests include travel, music, reading, skiing and tennis.

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John Vassallo



# Germany urges deal to solve EU crisis

BY STEPHEN CASTLE  
in Brussels

TWO DAYS of intense horse-trading among Europe's leaders begins today with a blunt warning from Germany that only a deal on financial reforms can prevent a "serious crisis" which could alienate Europe's citizens.

The message, from Gerhard Schröder, the German Chancellor, came on the eve of a summit which must now grapple with two of the European Union's biggest problems of recent years: the need for agreement on future funding and the vacuum in Brussels after the mass resignation of the European Commission.

When leaders gather in the Intercontinental Hotel in Berlin, they face a multi-layered set of negotiations expected to go to the wire. Mr Schröder, who chairs the summit, has an uphill battle to win concessions from Tony Blair over the British budget rebate, and faces similar intransigence from France over agriculture. He must also try to meet hopes that a new Commission president, proba-



French farmers blowing straw on to riot police (left) yesterday as others burn barricades during a protest over Europe's agricultural policy reforms

Reuters

bly Romano Prodi, the former Italian prime minister, can be appointed as soon as Friday.

A deal is not expected until the small hours of Friday morning, when an array of compromises should be stitched together. Mr Schröder's pre-summit letter to fellow leaders

stresses how "difficult" and "arduous" the discussions will be. This is because the bulk of the talks focus on the thing that matters most to member states: money.

Perversely, the convulsions in Brussels have improved the prospects of a deal on financial

reform. Mr Schröder's letter argues that "following the resignation of the European Commission, it is even more urgent that the talks focus on the thing that matters most to member states: money."

Britain's role is likely to be

central because of a continuing push by other members against its £2bn annual rebate. Germany is determined to cut its net annual contributions of £8bn and has for months been trying different tactics to target the rebate.

With deadlines looming, dif-

ferent ideas have been floated, including the notion that the rebate should be swallowed in a general mechanism helping all big-paying countries.

The latest German papers state that the rebate "will be maintained, but go on to suggest a series of moves which

could cost the UK hundreds of millions of pounds a year."

Politically, Britain realises that Mr Blair cannot return to the UK having surrendered the rebate negotiated by Margaret Thatcher. The Prime Minister has, however, some leeway because Britain stands to gain some "windfalls". Signs of a concession by Italy should allow a change in the way national budget contributions are calculated.

At present contributions are based on national VAT receipts, hurting countries such as the UK and Germany, which are efficient at collecting the tax, but benefiting Italy, which is not. A move to a system based on gross national product helps

both Germany and the UK - which would gain around £100m. Similarly, a move to allow nations to retain 20 per cent, rather than the current 10 per cent, of the cash they collect for Brussels from customs duties and levies will help big trading nations, including the UK, which gains £350m.

This cash could simply be surrendered or used to finance reforms to the rebate that Britain wants Whitehall resisting, but British officials concede that the aim is to ensure that the UK will not be worse off. The rebate does not cover spending outside the EU, including support for countries expecting to join; once new members are inside the cash would be rebated - something Germany wants to curb. An alternative is to exempt EU administration costs from the terms of the rebate. British concessions could depend on the outcome of agriculture talks which might also save money. Here the villain is Paris, which wants to postpone reforms.

President Jacques Chirac has described the common agricultural policy agreement as a "proposal" and has had to contend with large-scale protests by French farmers.

Will the total package be enough for Mr Schröder to sell to the German public? Wisely, the Chancellor is playing down expectations: he wants results, he says, but is "not expecting a big lottery win".

Leading article, Review, page 3.  
Roy Jenkins, Review, page 5

## Blair wants to ban 'gatecrashers' from meetings

TONY BLAIR is to call for sweeping changes to the workings of the Council of Ministers, the European Union's key decision-making body, as it prepares for enlargement to include up to 10 more countries.

Britain is drawing up proposals to prevent Council meetings being bogged down in rambling discussions. Ideas include time limits on debates; a ban on "gatecrashers" turning up for meetings they should not attend; and sticking to strict agendas.

The plans are included in a Foreign Office paper, seen by *The Independent*, which draws on the lessons from Britain's six months in the EU's rotating presidency last year.

Mr Blair sees an opportunity to push for reforms after the crisis which has engulfed the EU since last week's report accusing the European

Commission of fraud and mismanagement. The Prime Minister has already called for big changes to the Commission, and as the Berlin summit of EU leaders gets underway today, is expected to publish a joint reform programme for Brussels with Austria. It will include the appointment of a "fraud-buster", modelled on Britain's National Audit Office, with the power to summon officials and to investigate all areas of EU spending.

In an interview on the eve of the summit, Mr Blair was sceptical about calls for the Council to be made more open. "It is all very well to say the Council of Ministers should be far more open but you might find it becomes less effective as a body if you did that," he said.

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# Carnage and cannibalism in Borneo as ethnic conflict rages

BY RICHARD LLOYD PARRY  
in Singkawang,  
Indonesian Borneo



WESTERN PARTS of Borneo were in a state of anarchy last night after Indonesian soldiers opened fire on headhunting Dayak warriors in a drastic escalation of the island's savage ethnic war.

At least five Dayaks were shot dead during a gun battle with police in the district of Semelantan, in the West Kalimantan province where thousands of tribesmen are gathering from across western Borneo in a human manhunt.

More than 200 people, including young babies, have been decapitated and cannibalised in the area, where Dayak leaders and the Indonesian military have lost control of the local population. Hundreds more are being hunted down and butchered at the rate of some 30 a day.

The scenes along the road between the town of Singkawang and the village of Montrado yesterday afternoon defied belief. Five severed heads were displayed at checkpoints along the way, including those of a teenage boy and a middle-aged couple. Young warriors, armed with guns and wooden spears and smeared with blood, walked along the road openly carrying the hearts and livers of their victims as war trophies.

A few miles away, a group of a dozen Dayaks were roasting and eating another body which lay dismembered on a wall. A young Dayak man boasted that he had taken part in four killings of Indoeseian settlers from the island of Madura. "We try



Madurese refugees hunted by Dayak Christians take shelter in Pontianak, West Kalimantan, after their villages were torched

Achmad Ibrahim/AP

caught one of them this afternoon," he said, "and we killed it and ate it, because we hate the Madurese."

Local government officials in Singkawang estimate that up to 500 others have been killed, although an accurate count is impossible because of the nature of the killings. "Sometimes we find a leg and sometimes an arm, so it's difficult to keep count," said AR Simon, a Dayak who is administrative head of the Semelantan area. "We try

to count the heads." Elias Ubek, Dayak chief of the village of Montrado, said that at least 70 Madurese had been killed and beheaded in his village alone. He said he had seen six or seven children with their heads cut off. "Some are shot first, some are stabbed to death," he said. "They don't care about women, children, they kill everyone, including babies. They chop their heads off and they eat them."

Mr Ubek was threatened

with death by his own villagers after giving shelter to two families who had been tied up and were about to be killed by Dayak warriors. "The people trying to kill them had come from another district and they were so angry, I was almost killed myself. I am their leader and I cannot cool them down."

The Indonesian security forces have even less control of the situation. At about 4pm yesterday, Mr Ubek's eight refugees boarded a military

convoy which was passing through the area attempting to save Madurese fugitives. At least 150 soldiers in a dozen trucks and two armoured cars were outnumbered by a mob of Dayak warriors who followed them down the jungle road.

Five miles down the road, the Dayaks attacked with hunting rifles, and the soldiers responded with a volley of gunfire. Witnesses described them taking level aim into the jungle with automatic rifles.

At least five Dayaks were seen lying by the road dead or seriously wounded, before the convoy proceeded to Singkawang.

This nightmarish conflict began last month. More than 10,000 Madurese refugees had already fled villages along the coast, where the ethnic cleansing was instigated by mobs mainly of ethnic Malays.

The mobilisation of the Dayaks of the interior raised the stakes drastically. Many of those arriving in Semelantan

are veterans of a similar conflict two years ago, which left as many as 3,000 Madurese dead. The military stopped the Dayak advance outside West Kalimantan's regional capital, Pontianak, and some 200 Dayaks were killed when they tried to break through army lines.

Members of Borneo's three principal ethnic groups - Dayak, Malay, and Chinese - accuse the Madurese of fighting and theft. They demand that they leave the island.

Vatican nudges closer to China

BY TERESA POOLE  
in Peking

WHILE A physically frail Pope dreams of one day visiting China, the Vatican is pushing for improved relations with the country, despite tough conditions set by Peking.

A state visit to Rome this week by President Jiang Zemin has prompted an olive branch from a senior Vatican official, who publicly said the Holy See was willing to "modify" its diplomatic recognition of Taiwan. Low-level negotiations have been going on for more than a decade, with Peking torn between wanting to see the Vatican sever diplomatic ties with Taipei, and fearing anything that would promote Catholicism on the mainland. For the Vatican, China represents the world's biggest potential market of converts. For Peking, the image of huge crowds gathering for a papal visit - as recently in Cuba - is unthinkable.

Now the Vatican is making the moves to reach a compromise on China's two strict conditions: that the Vatican cut diplomatic ties to Taiwan, and that it "must not interfere with China's internal affairs by means of religious activities".

This week, in an interview with the *Corriere della Sera* newspaper, the Vatican Foreign Minister, Archbishop Jean-Louis Tauran, said: "We are aware that in order to normalise our relations with Peking we will have to modify the form of relations with Taipei ... We are willing to negotiate." Peking is demanding a severing of relations as a precondition for negotiations.

Taiwan yesterday warned the Holy See against falling for Chinese "hypocrisy". Roy Wu, the Foreign Ministry spokesman, said: "The Chinese Communist regime has always been hostile to religions. The Vatican must not be fooled by their pretence to be good."

All religions are burgeoning in China, trying to fill the spiritual void left after the ideological collapse of Communism.

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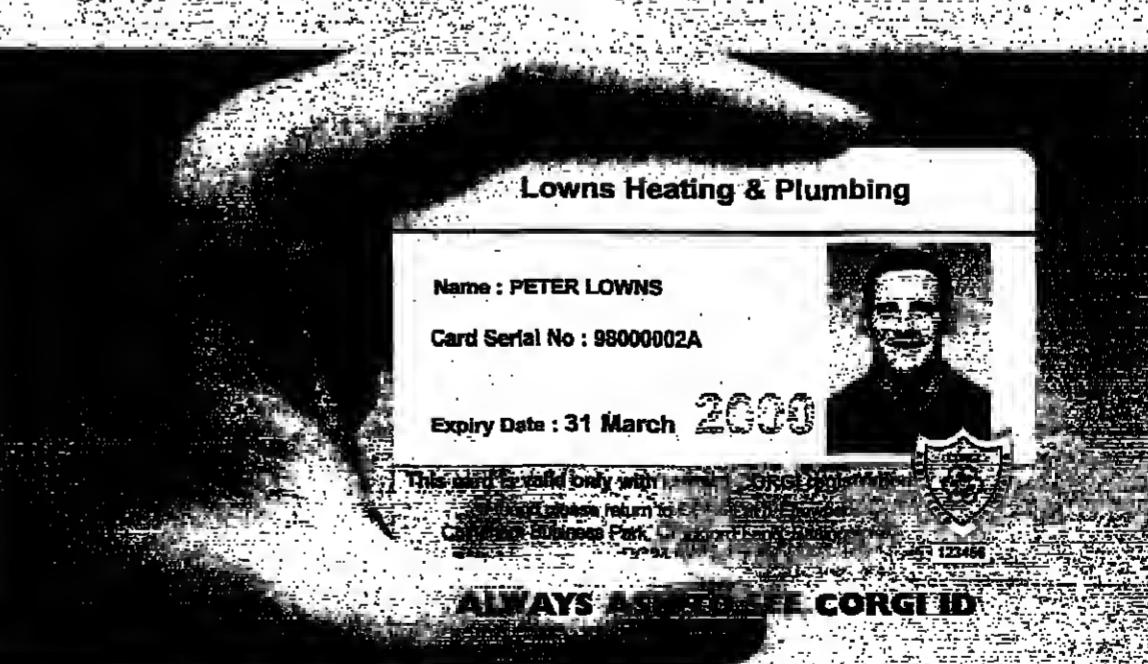


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THE WATCHDOG WHOSE WATCHWORD IS SAFETY

مكنا من الاصح

# Paraguay coup fear after assassination

PARAGUAY WAS thrust into the worst turmoil of its 10-year-old democracy yesterday after the Vice-President, Luis María Argana, 64, one of the country's longest-serving politicians, was assassinated in the capital, Asuncion.

The whole city shut down and residents expressed fears of a new military takeover as news spread that gunmen had fired on Mr Argana's vehicle as he drove to work yesterday morning. He was hit by at least 10 bullets in the head and body. Tension rose as troops and police poured into the streets to maintain order when the Vice-President's supporters gathered at the murder scene.

There was little doubt that the killing was the result of a power struggle among politicians of the long-ruling Colorado party, closely tied with the military that ruled for 35 years until 1989 under the dictator Alfredo Stroessner. Mr Argana

BY PHIL DAVISON  
Latin America Correspondent

had been foreign minister and head of the Supreme Court under General Stroessner.

Mr Argana was in line to take over from the President, Raúl Cubas, if the leader were to be removed. Congress began impeachment proceedings against the President last week, accusing him of abuse of power.

President Cubas has ordered the release of General Lino Oviedo, who had tried to launch a military coup against then president Juan Carlos Wasmosy in 1996 and was later sentenced to 10 years' jail. General Oviedo's release late last year led to a split within the Colorado party between factions supporting either Mr Cubas or Mr Argana. Paraguayans knew the split was deep but only yesterday did they realise it was deadly.

Mr Argana felt he had been



Argana: Victim of power struggle in ruling party

robbed of the party's presidential nomination, and in effect the presidency in 1993 as a result of a military-inspired intrigue to install Mr Wasmosy as the candidate. Mr Wasmosy won the presidency and ruled until last year.

Mr Argana felt robbed again last year. He was defeated in the party primary for presidential

candidate by General Oviedo, who planned to run his campaign from jail but was later barred from the race. Mr Cubas was then given the candidacy, won the presidential election last May and freed General Oviedo later in the year.

Mr Argana's role as Vice-President was becoming increasingly uncomfortable after Congress, despite a Colorado party majority in both chambers, voted to start impeachment proceedings against Mr Cubas. Mr Argana had persuaded his supporters within Congress, although from the same party as the President, to vote in favour of the impeachment move. Mr Cubas's supporters were furious.

There was no indication yesterday who the gunmen were but the authorities blocked all land borders and launched intensive airport checks to stop them leaving the country.

Chitnary, Review, page 7



Former anti-apartheid cleric Allan Boesak arriving at court in Cape Town with his wife, Elna, after being found guilty of fraud and theft of funds donated to his Foundation for Peace and Justice. Sentencing is expected today. Reuters



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## 'Matey' charter irks Australia

BY JOANNA JOLLY  
in Sydney

fairness, independence as dear as mateship."

But the document, released yesterday, has been criticised as badly written, sexist and unacceptable to Aboriginals.

The Aboriginal and Torres Strait Islander Commission chairman, Gatjil Djerrkura,

criticising the reference to Aboriginals, said it was always clear that Mr Howard had no plans to recognise indigenous Australians as custodians of the land rather than as "inhabitants".

Women's groups objected to the use of the word "mateship" as "coded masculine" and not representative of the contribution of women to the nation. Critics have also complained that the preamble is badly written, describing it as corny in parts.

## Park war over loose dog law

AMERICAN TIMES  
NEW YORK

IT IS easy to get upset about Rudolph Giuliani. His take-no-prisoners style as mayor of New York City has earned him high marks politically, as well as re-election last year. Next year, he may run for a US Senate seat (possibly against Hillary Rodham Clinton).

But the Rudy regime can seem repressive. Right now, the mayor is struggling to quell a crisis arising from a horrendous incident in early February: the shooting of an unarmed African immigrant in the Bronx by four white police officers. The shooting has crystallised resentment in the black community towards Giuliani's police force.

But anti-Giuliani sentiment also attaches itself to trivial issues. Dog-walking for instance.

Dogs would not be natural fodder for a city's tabloid headline writers, you might imagine. Wrong. When protesters recently compared the mayor to Hitler and likened his police to the Gestapo, dogs were the issue.

Since early February, Mr Giuliani, assisted by the Parks Commissioner, Henry Stern, has been extending the zero-tolerance policy approach so effectively applied to thieves and murderers to dog owners. His mission has been to enforce the so-called "leash laws" that dictate when a dog is allowed to run without restraint from a lead.

Mr Stern has deployed armed police officers, some on horseback, daily to Central Park and Riverside Park, both popular with dog owners in Manhattan. They have been issuing summonses in blizzards. First offenders are fined \$100. Penalties go up to \$1,000 for repeat offenders.

Nobody is saying that dogs should be free to rampage everywhere. But it did not help when Mr Stern - whose own dog is called Boomer - publicly vented about the "dog terrorists" who, he claimed, cause \$250,000 a year in damage to his parks.

He later attempted to clarify his remark. "The campaign is directed against a minority of wilful, arrogant dog owners," he said. "They're like die-hard National Rifle Association members." He might have omitted that last part.

The scene every morning in Riverside Park is a blend of comedy and paranoia. Dog owners complain of a "Cowboys and Indians" atmosphere, with Mr Stern's rangers popping out from behind trees and hulfs to snaffle their prey. "It was a posse, an ambush," said one woman, caught giving her boxer moments of leash-free frisking.

But in matters of zero-tolerance there is no room for humour. Park officials were serious when they contacted a Florida-based sculptor Jack Dowd, about a statue he has recently completed called *Man & His Dog*. The life-size bronze is to go on display in New York's Tompkins Square Park, in the Lower East Side of Manhattan, next month.

And - horror - photographs of the work showed no sign at all of man and dog being connected by a leash.

Mr Dowd was able to put the city's mind at rest. When the sculpture reaches New York, it will come with a leash included. It is missing only because it is sitting on a pavement outside his studio in Florida and he was afraid vandals might remove it. He has figured out a犬-proof means of attaching the leash in time for Manhattan.

Otherwise, Mr Dowd, it would have been \$100, payment without delay.

DAVID USBORNE

هذا من الأصل

Business & City Editor, Jeremy Warner  
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## BRIEFING

### BUSINESS REVIEW



**STAGECOACH!**  
AN ILLUSTRATION OF THE EARLY DAYS OF THE MAIL COACHES

Inside: How the boys from Yahoo beat Rupert Murdoch and Bill Gates into Cyberspace, page 3  
Losing it with flowers: the man who blew £10m, page 4  
What the most powerful men in TV executive? page 8

The 12-page Business Review, free every Wednesday

**Canary Wharf float oversubscribed**  
THE FLOATATION of the Canary Wharf office development in London's Docklands is thought to have been at least twice subscribed, prompting its advisers to bring the announcement of the float price a day forward to tomorrow. The company aims to sell a 25 per cent stake to raise about £470m to £585m.

#### French banks go on offensive

FRENCH BANKS Société Générale and Paribas, who are fighting to keep their merger plans alive following a \$3bn counterbid from rival BNP, will today go on the offensive. Société Générale and Paribas are expected to reveal that the cost savings now look likely to be higher than the Frs800m promised last month.

**STOCK MARKETS**

FTSE 100	DOW JONES	NIKKEI
6200	10000	15500
6100	9500	15000
6000	9000	14500
5900	8500	14000
5800	8000	13500
5700	7500	13000
5600	7000	12500
5500	6500	12000
5400	6000	11500
5300	5500	11000
5200	5000	10500
5100	4500	10000
5000	4000	9500
4900	3500	9000
4800	3000	8500
4700	2500	8000
4600	2000	7500
4500	1500	7000
4400	1000	6500
4300	500	6000
4200	0	5500

Dow Jones Index and graph at 8pm

**INDICES**

Index	Close	Change	Change (%)	High	Low	Wk Chg	Wk %	Year	Yield (%)
FTSE 100	6050.30	+92.30	+1.5%	6365.40	5499.20	+2.58	+0.4%		
FTSE 150	5475.60	+12.80	+0.2%	5570.30	5247.10	+3.13	+0.6%		
FTSE 250	2897.10	-38.00	-1.3%	3045.40	2740.40	+2.67	+0.9%		
FTSE All Share	2807.10	-35.28	-1.2%	2923.80	2142.00	+2.71	+0.9%		
FTSE SmallCap	2392.10	+4.00	+0.17	2392.10	1834.40	+3.59	+1.9%		
FTSE MidCap	1747.50	+52.40	+3.6%	1517.10	1662.20	+0.29	+0.1%		
FTSE 1000	654.30	+2.40	+0.3%	654.30	631.30	+1.67	+0.2%		
FTSE Eurotop 100	2165.33	+1.99	+0.9%	2072.27	2018.15	+2.02	+0.1%		
FTSE Eurotop 300	1228.62	+22.00	+1.8%	1332.07	889.63	+1.84	+2.0%		
Dow Jones	9215.65	+15.36	+0.16%	10255.31	7400.30	+1.62	+1.6%		
Nikkei	16019.10	+329.68	+2.2%	17111.59	12787.00	+0.89	+0.5%		
Markit Seng	11041.01	+66.32	+0.6%	11261.16	8646.79	+0.73	+0.7%		
Dax	6015.03	+112.03	+1.9%	6217.83	5825.21	+1.72	+1.6%		
S&P 500	1272.69	+24.21	+1.8%	1323.88	923.32	+1.36	+1.3%		
Nasdaq	2349.49	+46.24	+1.9%	2534.44					

**INTEREST RATES**

Short Sterling	UK 10 Year Gilt	US Long Bond
5.50	6.52	5.50
5.40	6.40	5.40
5.20	6.20	5.20
5.00	6.00	5.00
4.80	5.80	4.80
4.60	5.60	4.60
4.40	5.40	4.40
4.20	5.20	4.20
4.00	5.00	4.00
3.80	4.80	3.80
3.60	4.60	3.60
3.40	4.40	3.40
3.20	4.20	3.20
3.00	4.00	3.00
2.80	3.80	2.80
2.60	3.60	2.60
2.40	3.40	2.40
2.20	3.20	2.20
2.00	3.00	2.00
1.80	2.80	1.80
1.60	2.60	1.60
1.40	2.40	1.40
1.20	2.20	1.20
1.00	2.00	1.00
0.80	1.80	0.80
0.60	1.60	0.60
0.40	1.40	0.40
0.20	1.20	0.20
0.00	1.00	0.00

**MONEY MARKET RATES**

Index	3 months	Yr chg	1 Year	Yr chg	10 year	Yr chg	Long bond	Yr chg
UK	5.35	+2.21	5.27	-2.29	4.51	-1.41	4.48	+0.37
US	5.00	-0.62	5.12	-0.50	—	—	5.56	-0.32
EU	0.18	-0.52	0.23	-0.41	1.80	0.03	2.61	-0.81
Germany	3.02	-0.51	3.01	-0.78	4.00	-0.85	4.96	-0.48

**BOND YIELDS**

Index	3 months	Yr chg	1 Year	Yr chg	10 year	Yr chg	Long bond	Yr chg
UK	5.50	-2.21	5.27	-2.29	4.51	-1.41	4.48	+0.37
US	5.00	-0.62	5.12	-0.50	—	—	5.56	-0.32
EU	0.18	-0.52	0.23	-0.41	1.80	0.03	2.61	-0.81
Germany	3.02	-0.51	3.01	-0.78	4.00	-0.85	4.96	-0.48

**CURRENCIES**

S/E	E/S	W/E
1.40	1.10	1.95
1.35	1.05	1.93
1.30	1.00	1.89
1.25	0.95	1.87
1.20	0.85	1.85
1.15	0.75	1.83
1.10	0.65	1.81
1.05	0.55	1.79
1.00	0.45	1.77
0.95	0.35	1.75
0.90	0.25	1.73
0.85	0.15	1.71
0.80	0.05	1.69
0.75	-0.05	1.67
0.70	-0.15	1.65
0.65	-0.25	1.63
0.60	-0.35	1.61
0.55	-0.45	1.59
0.50	-0.55	1.57
0.45	-0.65	1.55
0.40	-0.75	1.53
0.35	-0.85	1.51
0.30	-0.95	1.49
0.25	-1.05	1.47
0.20	-1.15	1.45
0.15	-1.25	1.43
0.10	-1.35	1.41
0.05	-1.45	1.39
0.00	-1.55	1.37

**OTHER INDICATORS**

Index	Close	Chg	Yr Ago	Index	Close	Chg	Yr Ago	Index	Close	Chg	Yr Ago	
Pound	1.6395	+0.01	1.6775	Dollar	0.6103	-0.38	0.5961	Swiss Franc	1.1540	-0.04	1.1204	Mar
Euro	1.5010	+0.00	1.0799	Euro	0.9160	-0.02	0.8974	Yen	118.03	-0.14	130.46	Feb
Yen	193.47	+0.11	191.28	Yen	118.03	-0.14	130.46	Swiss Franc	103.00	0.00	107.60	Jan
Gold	382.95	-1.70	397.75	RPI	163.70	-2.10	160.33	Swiss Franc	5.13	0.10	5.22	Dec
Silver	1.1411	-0.00	1.1411	Date Rates	5.50	-0.75	5.25	Gold	5.677	-0.00	5.677	Nov
Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Oct
Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Sept
Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Aug
Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	July
Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	June
Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	May
Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	April
Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	March
Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	Gold	5.677	-0.00	5.677	February
Gold												







# Shares suffer in another poor day

FOOTsie has fallen 275 points since hitting a peak just eight trading days ago. Much of the retreat has occurred in heavy trading with daily turnover usually exceeding 1 billion shares.

So is the stock market merely suffering from an attack of vertigo or is the long decline that the bears have so often predicted at last starting to take place? That is the question occupying market professionals who are undoubtedly worried by the dip since the record 6,335.7 level was achieved.

Their dilemma is increased by the new style market which has evolved in recent months. Last year a 1 billion turnover was the exception rather than the norm. This year volume has topped 1 billion on most trading days.

Many institutional traders are anxious to take a more active role in playing Footsie constituents. They have been

## MARKET REPORT



DEREK PAIN

Tokyo's rally were other influences on a market which could have done with some corporate inspiration.

There was again an array of bids and deals outside the Footsie domain. Granada splashed out £110m (915p a share) for the Mirror's 18.6 per cent stake in Scottish Media sending the shares 22p higher to 651.5p. Flextech figures today, has an 18.5 per cent SM stake and, the market believes, could be happy to accept the Granada price.

Fitch, the design group, rose 21.25p to 59p on a £20 agreed US bid and Jarvis Hotels, another where a possible predator lurks, jumped 26.5p to 158.5p. Leicester City, where a bid seems to be kicking

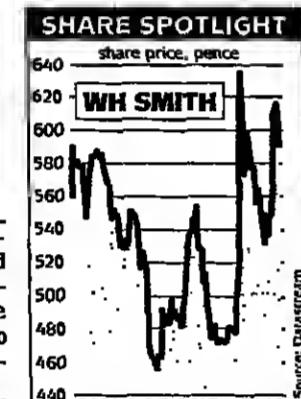
TRADEPOINT, the little stock exchange, is heading west. The order driven, screen-based electronic market, has been given permission to operate in the US, the first foreign exchange to get into the US market. It is suggested that Tradepoint's success is because the Americans were only prepared to accept a small group with little clout. Still, the shares rose 17.5p to 36p, a fair cry from the 180p they once touched.

encouraged to do so by the introduction of the computerised order book. It was bound to increase Footsie's volatility. The index's higher altitude also contributes to the now commonplace yawning swings.

Although the jury is still out on the likely market direction there is no doubt that what has always been a difficult read has become much harder.

New York's failure to consolidate, after the briefest of corrections, above 10,000 points has certainly undermined London confidence. But the likelihood of more interest rate cuts and the growing expectation that the economy will be subjected to a soft landing are among the more encouraging signs. The current round of company results have also been much better than at one time seemed likely.

The Dow Jones Average, off more than 100 during London's opening, was largely responsible for the latest fall, taking Footsie 92.3 to 6,060.5. Weak European markets and a sudden end to



around, scored a 4p gain to 45.5p.

Property group Greycourt, resisting a bid from George Soros' related Delaney Estates, rose 5.5p to 205.5p.

But Regent Inns was at one time down 21.5p on the failure of its merger talks with rival SFT. Hopes that the pubs chain is still in play had reduced the loss to 5p at 167.5p by the close. SFT was unchanged at 193.5p. Swallow fell 10.5p to 258.5p as its plans to sell its breweries and 350 bottom-of-the-barrel pub floundered with the management buy out team presumably unable to meet the asking price.

Among blue chips Telewest Communications was spurred by thoughts that the 30 per cent stake held by MediaOne, merging with Comcast, will

be sold, putting the cable TV group into play, the shares gained 10p to 263.25p.

P&O was buoyed 45p to 860.5p following results and the appearance of a disposal programme. Iceland's figures left the shares up 6.5p at 263.5p with Warburg Dillon Read suggesting a 240p target.

Cable & Wireless, ahead of a Henderson Crosthwaite investment dinner, fell 11p to 736.5p and WH Smith dropped 18.5p to 590p after a Merrill Lynch downgrading. Smith's thought to be on the verge of joining companies offering a free internet service provider.

Oils were little changed by the Opec pledge to cut production with BP Amoco hardly moved at 1,020p.

Scottish & Newcastle, the nation's biggest brewer, said the jump in sales was the fruit of a series of intuitive decisions, profits are under pressure and a downbeat trading statement

SHERRY FITZGERALD, an Irish auctioneer and property agent managing the country's largest estate agency network, is coming to AIM and bringing it with the euro. The nominal value of its shares will be measured in euros – each will be 0.12 of the currency. The flotation price, presumably in Irish punts, has not been fixed but the group intends to raise IR£3.5m. The shares will be traded in London and Dublin.

is being prepared. There is talk that Scottish has been saying that City profit forecasts, around £245m for the year to May, are too high. Last year the group rolled out £222m. Tesco, setting up shop in South Korea, firms 2.5p to 169p.

Some waters were strong following an investment conference organised by WestLB Panmure, Yorkshire Water rose 30p to 457p.

MSB International, the IT group related to Crystal Palace's beleaguered chairman Mark Goldberg, slumped 52.5p to 172.5p after forecasting profits of £11.5m which, it claimed, was in line with expectations.

There was action among some of the smaller exploration and mining shares. Arcon International rose 1p to 13p as it's Galway zinc mine in Ireland was given a projected 15 years life, up from 10 years, and Aminex held at 13p after raising £400,000 via a placing.

Another plus for the

company results have also been much better than at one time seemed likely.

The Dow Jones Average, off

more than 100 during London's opening, was largely responsible for the latest fall, taking Footsie 92.3 to 6,060.5. Weak European markets and a sudden end to

# Iceland's bright ideas bring booming sales

BY ANDREW VERTERY

ICELAND, the high street food retailer, trumpeted the vindication of its strategy of putting "the heart before the head" yesterday when it posted a double-digit increase in sales for the second successive year.

The group said successful experiments with home deliveries, coupled with a high-profile stance on genetically modified foods, had contributed to a 12 per cent increase in "same condition" sales in the year to January – three times the level of its nearest rival, Tesco.

Shares rose 3.6 per cent to 283.5p on the back of a 27 per cent increase in profits at Iceland, which until two years ago was thought to be nearing the end of its shelf life.

Malcolm Walker, chairman and chief executive and the founder of the chain, said the jump in sales was the fruit of a series of intuitive decisions, against the grain of conventional retail wisdom.

"We invented home delivery. We were the first to offer telephone shopping in this country and we are the only provider. We banned GM products when the rest of the industry was dithering – and I still take personal credit for coining the phrase 'Frankenstein food,'" he said.

Once regarded as a retailer specialising in frozen food at

rate themselves from the drab formality of the supermarkets.

An ethical stance on GM foods – guaranteeing no genetic modification – was worth millions in publicity value. After much hand-wringing, the supermarket announced similar policies earlier this month. Iceland is also leading a campaign for "honest labelling" – avoiding practices such as including the giblets in the weight of the chicken.

Mr Ford has pushed through changes to Iceland's style, eschewing price competition in favour of "pulse racing deals", such as two chickens for the price of one. Staff have been asked to be more informal, joking with customers to separate them from the drab formality of the supermarkets.

An ethical stance on GM foods – guaranteeing no genetic modification – was worth millions in publicity value. After much hand-wringing, the supermarket announced similar policies earlier this month. Iceland is also leading a campaign for "honest labelling" – avoiding practices such as including the giblets in the weight of the chicken.

Analysts yesterday welcomed the results, which came in ahead of expectations with pre-tax profit at £55.1m. They point out that Iceland is trading at a 35 per cent discount to the market.

At a time when Iceland looks much more robust than its competitors, the shares are on similar forward multiples of around 14. According to Merrill Lynch, Iceland's shares look cheap.

As a result of the lower price, 3I and PPM Ventures, Morse's venture capital backers, decided to hold on to more of their shares. Some fund managers had complained that the investors were selling too large a stake.

At a share price of 250p Morse is valued at £205.7m. The flotation raised £60m in new money for the company, which it will use to pay down debt and help fund its recent acquisition of a minority stake in Partner System, a French reseller.

Duncan McIntyre, the chief executive, said the group's main priority was to use its position as the leading reseller of Sun Microsystems servers to expand its operations in France and Germany.

"We want to become a European company and start exploiting our services business, which is currently only 5 per cent of revenues," he said.

Analysts said Morse is more vulnerable to fluctuations in demand than services groups, which tend to have stable order books.

However, they pointed out that, on a multiple of 23 times earnings for the year to last June, the shares look an attractive prospect.

## Morse debut on London exchange

BY PETER THAL LARSEN

MORSE, the reseller of powerful computer servers, yesterday made a cautious debut on the London Stock Exchange after setting its flotation price at the lower end of the pricing range.

Morse shares, which were placed with institutional investors at 250p each, rose 2p to 252p in conditional dealings. Morse had planned to price the shares, which do not start trading fully until next Tuesday, at between 250p and 300p.

Analysts said the flotation had been hampered by signs of a slowdown in the computer market in the United States, fears of a second-half slowdown in the UK, and the poor performance of Synstar, the computer services group, after its flotation last month.

However, observers said the low price attached to Morse shares meant that they were likely to perform well in the next year.

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Keith Hopkins: Hit by Far East and strong pound



Keith Hopkins: Hit by Far East and strong pound

compounded by a sharp rise in the price of vegetable and palm oil imposed by Indonesia.

Croda's plight was deepened by the strong pound, which last year wiped nearly 10 per cent of

the group's profits and some 4 per cent of sales.

The finance director, Barbara Richmond, said many of Croda's markets were set to remain subdued throughout 1999.

David Phillips at Sutherland said Croda's margins, at around 15 per cent, were among the best in the sector, but warned that the difficult trading conditions would persist in the near term.

However, Croda shares have fared better than many of its peers. After yesterday's 3.5p fall to 225p, they are on 13 times 1999 earnings of around £33m. This is an unjustified discount to rivals such as Laporte and BTE, which are better positioned to take advantage of a upturn in the chemical markets. At these levels, Croda is no more than a hold.

ProShare to her deputy, Tony Hobman, at a lively City bash on Monday night, after five years at the helm. The non-profit outfit aims to encourage wider share ownership.

The do at the Coq d'Argent, opposite the Bank of England, attracted a number of equated luminaries, including Brian Winterford of Winterford Securities, the Close Brothers subsidiary which dominates small companies market-making.

Mr Winterford was in animated conversation with Iain Saville, formerly of the Bank of England and the man who drove the design and development of Crest, the automated share settlement system, which he now heads.

Also wishing Ms Nott well was David Godfrey, director general of the Association of Investment Trust Companies, who is currently embroiled in a very public row with the head of Electra over the hostile bid for that trust by 3I.

Meanwhile Peter Hammonds, company secretary at NatWest, took exception to being described as "a banker".

E-mail: j.wilcock@independent.co.uk

despite having worked over 20 years in the industry, much of that with Sir Brian Pitman, chairman of Lloyds TSB.

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When asked whether it was wise to start a City job in what could in other terms be a very demanding week, Mr Cherrill sighed: "I'll be keeping my wife barred from the bedroom door: we've just had our second daughter, who was born last week."

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# SPORT

'Billie-Jean came up and said: 'Come on Sue, it's your championship now', and I thought: 'Blimey, she's right'

## Barker's happy return to the fore



### THE BRIAN VINER INTERVIEW

WHEN I arrive at Sue Barker's house, deep in the Surrey countryside, she and her husband, Lance, are out, taking one of their dogs to a nearby veterinary surgery. This is a coincidence, because the last time I spoke to Barker, she told me a cracking story about Laura Bruno, wife of Frank, who had recently taken one of the family rottweilers to the vet. "Name?" said the receptionist. "Bruno," said Laura. "No," said the receptionist, beaming a great exasperated sigh. "I don't mean the dog's name."

Anyway, Barker's absence gives me the chance to poke around in shameless *Hell* magazine fashion. The house, as Dan Maskell might have said, is an absolute peach of a place - a listed building, stockbroker-belt cottage, with mulioned windows and magnificent chimneys. The gardens are similarly splendid and there is a spanking new tennis court in an adjacent field. Barker has not swung a racket for three years, but has promised Lance that she will blow the cobwebs off her forehand this summer. We tend to forget that it was a formidable forehand, voted the best in the women's game five years in succession. "Billie-Jean King used to take me out on court and say that she just wanted to watch my forehand," says Barker, who has returned from the vet's with fulsome apologies. "You can't get greater praise than that."

Indeed. For a time in the mid-Seventies, Barker was ranked No 3 in the world. In 1976 she won the French Open, and until her unexpected defeat by Betty Stove in the 1977 Wimbledon semi-final, she teetered on the brink of greatness. Yet she suffers by association with a period when British tennis languished in the doldrums. She was, wrote that respected tennis analyst, Clive James, in 1981, "the most spectacular exponent of the baseline bossa nova, the dance performed by British female players when they are about to receive service... often bouncing up and down more than 30 times before lunging sideways to intercept the service and hit it out."

Funny but harsh. Because although Barker never quite overcame an erratic streak, she was considered, for the best part of three years, to be one of the top five women players on the planet. And for that, she had a fellow Devonian to thank, the notoriously severe Arthur Roberts, who had coached Angela Mortimer to three Grand Slam titles between 1955 and 1961. He spotted Barker in 1966, when he visited her convent school and chose two girls with potential. She was 10 years old and his second choice.

"Everyone was terrified of him," she recalls. "My parents weren't allowed to watch me practise, and he



'After being challenged all my life, suddenly there were no challenges,' says Sue Barker, now a successful broadcaster, of life after tennis

Richard Young

would brook no interference whatever." He was just as uncompromising with the tennis establishment. When Barker was 13, the Lawn Tennis Association's national coach advised her - foolishly, as it turned out - to rebuild her forehand. "I was told that I played it too close to my body with a bent elbow, but Mr Roberts refused to change it and resigned from the coaches' association in protest."

He is long gone, but still she refers to him respectfully as Mr Roberts. He was her mentor, her muse even, but never her friend. And when she left to play in tournaments on the Continent, he handed her a one-way ticket only, insisting that she had to earn the fare home. "He was always at the end of a phone and would wire the money if absolutely necessary, but he wanted me to have to make that grovelling call. And when I got back I'd go and sit in his office and he wouldn't talk to me. I'm not sure he was a tremendous coach, but he was certainly a tremendous psychologist."

By the time Barker was 17 - and 21st in the world rankings - Roberts told her that she would only improve

by settling in America. "I was so excited I remember my parents seeing me off on the platform at Paignton station. My mum was crying and I was trying to cry, but I

couldn't. I was just thinking of California." On her 17th birthday she had joined Mark McCormack's IMG, who provided her with a furnished townhouse in Newport Beach, just

south of Los Angeles. One of her neighbours was the newly retired Rod Laver, who saw her practising and asked if he could hit with her the following day. It was the middle of the night in England, but a few minutes later, quite forgivably, Mr and Mrs Barker got a you'll-never-guess what phone call. "I was so thrilled," Barker recalls. "He was such a mega-hero."

Those were heady days for a girl from Torquay. She bought a Jeep and joined the John Wayne Tennis Club, not that she ever set eyes on the great man. If she had, he might have been forgiven for drawing "Get off the court and drink your milk." For Barker was a particularly young and impressionable 17, and it is to her everlasting credit that she not only survived in America but thrived. "I can't pretend I was welcomed in with open arms," she says. She giggles. She is a serial giggler. "Perhaps that is not the best expression for women's tennis," she adds.

Arthur Roberts had warned her about locker-room lesbianism. "But he had painted such a gruesome picture. He told me there was a good end and a bad end of the locker room, and that I should always check whose bag was next to mine. So I'd go in and, oh my word, I'd be checking the bag next to mine, absolutely paranoid. Even as a junior I'd known which players were and which weren't, because everyone talked. And people like Billie-Jean and Rosie Casals were open about it anyway. In all my years I was only approached once. I'm not sure if I'm proud of that or not. And I'm not going to say who it was. It wasn't blantant. I was just touched in a way that didn't feel right. Rosie, who was a friend, would come over and ruffle my hair; but it wasn't like that. Nothing was said. I think she wanted to see what reaction she got..."

In 1974, as Barker prepared for her first Wimbledon, Roberts again misled his protégée. He told her that her first-round opponent, an Indonesian girl, had a feeble backhand. "So I hit it to her backhand and she hit it back forehand. I thought: 'Crikey, she's left-handed.' So I hit it to the other side and again she hit a forehand. She was ambidextrous. She didn't even have a backhand. I looked over at my coach and he was sitting there with

**'Five years ago nobody could name the top 10 women. Now, as well as the old guard, there's the Williams sisters, Kournikova... I think it's great'**



### Please end bias against Boro

Sir: I can't help but notice a serious bias in your reporting. I am a Middlesbrough supporter, and while I can understand that the most interesting matches will be the ones between the title chasers - Man Utd, Arsenal, Aston Villa et al - the *Independent* should surely take each match on its merits and forget the teams playing.

However, Middlesbrough always seem to be the last team mentioned. In last week's Sport section (15 March) they are on page five, along with the First Division reports. Even when the Boro do pull higher into the pecking order, it only seems to happen when another team have thrashed us; see the Everton match this season. Everton is another team which is supposedly unfashionable, and yet the *Independent*'s writers gloried in the 5-0 Boro loss.

Why is it that everyone hates the Boro? I could understand it if

everyone felt that way about Chelsea, but Boro are a hard-working, open and friendly team who do a lot for their community. Steve Gibson is also one of the best chairmen in the Premiership: Middlesbrough had its own local television channel, Boro TV, way before anyone else, and yet when Manchester United got a TV channel it was on the back page. Gibson has stood behind the manager, Bryan Robson, and built one of the best stadiums in the country, as well as turning Middlesbrough into a true Premiership outfit.

Robson was one of the best international midfielders around, and it must be remembered that he has only been in the job five years and is improving all the time (ignoring our usual post-Christmas slide down the table).

I think it is interesting how teams can be perceived as fashionable and unfashionable, but I don't think that should affect the way they are portrayed. Look at the football, not the reputation. ED KIRTON-DARLING address supplied

### A worthy cup?

Sir: The Football League has repeatedly claimed that the Worthington Cup, and before that the Coca-Cola Cup, was a competition worthy of keeping. Clubs such as Manchester United and Arsenal have been threatened with fines for fielding weakened teams.

It does seem very ironical,

then, that two Premiership games were played on the same day as the final. The Manchester United-Everton game even started at the same time. If the Football League and Premier League make this type of statement about the Cup's status, there is no argument for fines being a deterrent. More importantly, what will Uefa think about granting its winners a UEFA Cup place?

GARY JACOB  
St Catherine's College, Oxford

### Good going

Sir: A few weeks ago one of your racing correspondents - Chris Corrigan - had the foresight to tip Go Ballistic as a value each-way bet at an expected 50-1 for the Cheltenham Gold Cup. His reasoning - recent, improving

form over course and distance; a track record in the race - seemed sound, and I'm pleased to say that I followed his advice.

As no other tipster even mentioned Go Ballistic, I was able to place a modest wager (£10 each way) at 86-1. Unfortunately I was unable to attend the meeting, so this bet had to be placed by phone while I watched the race on television.

However, when Go Ballistic cleared the last fence in the lead I did exactly as the name suggests. That See More Business had greater staying power up the hill only marginally reduced the excitement and did not detract from the satisfaction I obtained from the result. Congratulations. I await further pearls of wisdom.

TONY RILEY  
Malpas, Cheshire

### Bad behaviour

Sir: Nothing to do with the eventual result, of course, but have you given any thought to the fact that the patriotic American public (and, perhaps, a patriotic American judge) at Madison Square Garden may not have taken too kindly to their national anthem being roundly booted by British fans while our anthem was greeted with respect.

Nor could the recent French lesson dished out at Wembley have anything to do with the World Cup winners hearing their beloved "Marseillaise" desecrated by boozing and whistling from large sections of the home fans.

So come on, lads. Saturday gives you another chance to

his pipe, chuckling." Whatever psychology Roberts had deployed, it worked. Barker won. But the following year she had a tougher first-round match, against the legendary Brazilian Maria Bueno, who was attempting a comeback. "We were first on Centre Court and I was absolutely terrified. The first set went by in a haze, and I lost it 6-1, but then I started to relax and won the next two 6-2, 6-1."

In 1976 Barker won another three-setter, against the Czech Renata Tomanova, to clinch the French Open. Unfortunately, she has no mementoes of that victory. "I've lost the medal and the replica thing they give you, basically because I thought it would be the first of many Grand Slam titles. If I'd known it would be the only one, I'd have got the umpire's sheet, nicked a ball, the linesman's chair and a bit of dust off the court." In 1977 she felt confident of winning the Wimbledon title, especially once Virginia Wade had beaten Chris Evert in the first semi-final. "Billie-Jean came up and said: 'Come on Sue, it's your championship now', and I thought: 'Blimey, she's right.' I'd never lost to Betty before. I was 3-0 up against Virginia in the Virginia Slims. I was thinking of the final before I even played the semi!"

After that devastating defeat by Stove - whom she beat 6-1, 6-0 three weeks later, just to rub it in - Barker was never quite the same player again. Her personal life continued to make headlines, though, for she had well-publicised flings with Greg Norman and, and... no, I can't bring myself to use the C-word. Besides, I know that she gets uncharacteristically testy if anyone does, and understandably so. She has, after all, been married to Lance - a former detective sergeant in the Metropolitan Police - for more than 10 years.

In 1984 - the year she was beaten on Wimbledon's court 14 by the 15-year-old Steffi Graf - Barker's world ranking went into free-fall, from 15 to 63. "I thought that wild cards would be coming out of my ears," she says. But they weren't, and so she decided to retire, aged 24. "I'd earned enough money. I had a flat in Wimbledon. I did some corporate things, but I was really unhappy. After being challenged all my life, suddenly there were no challenges any more."

And then someone at BSkyB decided that she might be reasonably telelegenic. Since then, her broadcasting career has blossomed, to the extent that for at least one generation, her association with tennis begins and ends with a blurred shot of Andre Agassi on the *Question of Sport* picture board. But tennis - not Ally McCoist or John Parrott or even Des Lynam - remains her principal sporting love. And the women's game, she ventures, is in better shape than it's ever been.

"Five years ago, nobody could have named the top 10 women. Now, as well as the old guard, there's the Williams sisters, Kournikova... I think it's great. On the other hand, when I was playing, I would often have dinner with Chrissie Martin and the John Wayne Tennis Club, not that she ever set eyes on the great man. If she had, he might have been forgiven for drawing 'Get off the court and drink your milk.' For Barker was a particularly young and impressionable 17, and it is to her everlasting credit that she not only survived in America but thrived. "I can't pretend I was welcomed in with open arms," she says. She giggles. She is a serial giggler. "Perhaps that is not the best expression for women's tennis," she adds.

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display your talents as the most unsporting fans on the planet. Boo their anthem and inspire the proud Poles to heights they could never otherwise be expected to achieve.

GERARD HUNT  
Hemel Hempstead, Herts

### The dark side

Sir:

Chris Hewitt's defence of Martin Johnson cannot be applauded. This terrific second row forward has a dark streak in him and the recent incidents in which he has been involved are not even representative of his worst moments.

I have played with big men like him and I could never understand why some of them resort to the cowardly punch or boot.

He is a good player but I would not be surprised to see him sent off soon when he really oversteeps the mark (or someone's head). Getting petulant in his old age?

RAFI HUSSAIN  
Newham, Kent

## SPORTS LETTERS

Post letters to Sports Desk at 1 Canada Square, Canary Wharf, London E14 5DL and include a daytime telephone number. Faxes to 0171 293 2894 or e-mail to sport@independent.co.uk. E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

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Jody Scheckter, the 1979 world champion, plans to use his standing in Formula One to help his sons, Toby (centre) and Tomas to progress in their motor racing careers

Mark Chivers

## Scheckter develops a dynasty

**JODY SCHECKTER** was never renowned for reticence. He's remembered almost as readily in this country, at any rate - for the pile-up he triggered at the start of the 1973 British Grand Prix as for delivering Ferrari their last driver's world championship, 20 years ago.

On and off the track, he was the quintessential South African: self-assured, forthright, uncompromising. The passing years have scarcely blunted his sharp edge, although those close to him maintain he has mellowed.

But circumstances? Palpably not. Invited to comment yesterday on the state of play at Ferrari, he suggested his former employers ought to find a new team-mate for Michael Schumacher; someone capable of pushing the German to greater heights. Since Schumacher's present partner is Northern Ireland's Eddie Irvine, who won the opening round of the championship in Australia, earlier this month, that represents a contentious statement.

Ferrari, like the reputation

for causing mayhem, are permanent baggage for Scheckter. He carried it with him to London, where he appeared in a less familiar guise than that of the caring father. In common with many of his peers, Scheckter maintained he had no desire to see his offspring follow in his tyre tracks, yet here he was, introducing motor racing's next dynasty.

His sons, Toby and Tomas, rejected golf and other more mundane careers, opting instead for the circuit. Toby, 20, is competing in this season's highly competitive British Formula Three Championship, the 18-year-old Tomas in the European nursery series, EPTA. They will race under the Jody Scheckter Racing banner, though as part of separate teams. Dad provides the name and publicity and that, in turn, is supposed to generate the necessary funding.

"I'm really setting up a management team within teams for my boys," Scheckter explained. "At the end of the day, you need sponsorship."

"I've certainly not pushed

Ferrari's last world champion is helping his sons to follow in his Formula One footsteps. By Derick Allsop

them into this. I wanted them to do well at school and so on, but I couldn't stop them doing this. Motor racing chose me, so I can understand."

"I don't want to form my own team and in any case, it's good for them to learn to work with other people. I'm there if they want me. A good coach puts pressure on when a driver needs it, a bad coach puts it on when he doesn't."

"Their toys are much bigger and better than I had at their age. But you have to do it professionally. If you don't you never win, unless you're Schumacher. But there's only one of those in Formula One now."

Scheckter has seen some of himself in Toby ("the fear of defeat") and other of his characteristics in Tomas ("he spends too much time on the grass").

He expands: "Toby is very quick, but he doesn't have as much natural talent as his

brother. Tomas is a real racer, more of my style. They're both got potential, and if you're in single seater racing you have to aim for the top, that's Formula One. Sure I get that feeling in

the stomach. Any father would. It's a dangerous sport. But you have to accept it."

Yes, he would like to see them drive for Ferrari one day, but only if the Italian team

have a competitive car. The sons concur: "I'd rather be in a Jordan if a Jordan is better than a Ferrari," Toby reasons. Tomas is unequivocal in his choice: "Right now it would have to be McLaren."

Not that the young Scheckters are dreaming beyond their means. They know they have some proving to do before that. They also stress they are racing because this is what turns them on.

"They've got to do it this year," he said. "Mind you, that's what I said last year. Ferrari did a great job, but McLaren had the advantage last year and it looks as if it's a similar situation this year."

So how might they bridge that gap and make Schumacher their next champion?

"They should have a more aggressive team-mate for Schumacher, that would lift him to another level. When you're faster than your team-mate on every corner you learn nothing. When I got Giles Villeneuve as my team-mate it lifted me to another level. I haven't seen Irvine within half a second of Schumacher."

Scheckter nominates Giancarlo Fisichella, Benetton's Italian driver, as a candidate to join Schumacher but maybe if they are patient enough there will be another Scheckter along to help them out.

Dad, out of earshot, would



The remains of the pile-up involving Jody Scheckter's McLaren that halted the 1973 British GP at Silverstone

## Virgin back 'relieved' Mackenzie

**THE PROSPECTS** of Niall Mackenzie competing for a fourth successive British Superbike title were sinking faster than a lead balloon until the timely intervention of the Virgin millionaire, Richard Branson.

The three times champion and former grand prix rider has been the series' dominant figure for the past three years. Yet until last week, the Scot's Yamaha team, whose sponsorship deal with Cadbury's Boost was wrapped up at the end of last season, were without the corporate backing required to mount another viable challenge.

Enter the publicity conscious tycoon and the offer of a

### MOTORCYCLING

By ANDREW MARTIN

financial lifeline that ensures Mackenzie and his No 1 plate will now appear in the 12-round campaign that opens at Brands Hatch on Sunday.

The veteran rider was beginning to wonder if he would be racing again when news of the deal reached him in Jerez, Spain, where the team - newly christened Team Virgin Yamaha - was testing its shiny new YZR-R7 machine.

"The team had been trying to find a sponsor but we still hadn't secured anything by last

week," Mackenzie said yesterday. "I was really surprised that we'd gotten into that situation with our track record."

Understandably, Mackenzie is now a happy man - "relieved is an understatement" - after a few nervous months and an exercise in financial brinkmanship that has inevitably hampered preparations for the coming season.

"Our testing of the new bike has been limited because we didn't have a sponsor and it's been a mad rush to get the bike repainted and get a new set of leathers, but it's finally fallen into place," he added.

Never one to miss a PR opportunity, Branson issued

an effusive statement yesterday to herald the deal. "We couldn't resist the temptation of supporting one of the finest riders in a generation," it read.

Mackenzie's talent is undisputed and acquiring the backing of the ambitious Branson - the thwarted global balloonist also owns a sizeable chunk of the London Broncos rugby league club - is a notable coup.

Mackenzie will need all the backing he can muster as this season he faces fierce competition from James Hayden's works-backed Suzuki and the Ducati-mounted Troy Bayliss as well as the Kawasaki pairing of Chris Walker and Steve Hislop.

## Hackett's world record

### SWIMMING

Hackett, who won the individual 200m freestyle on Monday ahead of Ian Thorpe and Michael Klim.

Hackett's achievement overshadowed another record-breaking swim by Susan O'Neill, who broke the longstanding record of all last month when she eclipsed Mary T Meagher's 18-year-old mark for 200m butterfly in a short-course pool. Yesterday O'Neill, who also holds the world and Olympic titles in butterfly, broke Hackett's world record at the half-way mark.

Thorpe swam the second fastest time in history for the 400m on Saturday, beating Hackett in the process. However, he was well beaten in the

individual 200m by Hackett, whose winning time on Monday was just 0.3sec outside the Italian's old record.

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### TOMORROW

Westwood warms up for golf's 'Big One'  
Andy Farrell reports from Florida

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## Ibrox in ring for rematch

### BOXING

I BROX STADIUM in Glasgow yesterday became the latest venue to emerge as a possible contender to stage the Lennox Lewis-Evander Holyfield heavyweight unification rematch.

Lewis's promoter, Panos Eliades, and his manager, Frank Maloney, are to meet officials of the stadium's owners, Rangers football club, tomorrow for discussions about hosting the fight.

Yesterday Maloney had talks with Tom Shorey, the sales director of the new 75,000-capacity Millennium Stadium in Cardiff, with a view to staging the fight in the Welsh capital, where Lewis stopped Frank Bruno in October 1993 in his first term as World Boxing Council champion.

Eliades, though, still believes Las Vegas will emerge as the favourite location. It is believed that the newly opened Mandalay Bay Hotel, which contains an 18,000-seater arena, is showing a big interest in staging the

reunification rematch. The last major boxing staged at Ibrox was Jim Watt's WBC light-heavyweight title defence against America's Howard Davis in June 1980.

Meanwhile it has emerged that a late flood of bets, said to total more than \$1m (£635,000), were placed on Holyfield just before he stepped into the ring with Lewis, drawing the attention of investigators.

The Nevada Gaming Control Board has confirmed that it is investigating money placed at a number of Las Vegas betting outlets in the hours before the fight in New York on 13 March.

Almost all of the bets were refunded after the fight was ruled a draw, even though Holyfield appeared to have lost.

The probe by gambling regulators comes on top of investigations by a Manhattan grand jury, a state Senate committee and the New York State Athletic Commission.

Nevada investigators are primarily concerned with whether the money was bet on behalf of one individual or group by so-called "messengers" bettors, which is against Nevada law.

The judge who came under fire for scoring the Lewis-Holyfield fight as a draw, Larry O'Connell, will come into contact with Maloney again at the Royal Albert Hall on 3 April. O'Connell is due to referee the Maloney-managed Julius Francis in his British heavyweight title defence against Brixton's Danny Williams.

Maloney has cooled down since the fateful night. "A lot of things are said in the heat of the moment, and anyone can make a mistake," he said. "He's got a job to do; I've got a job to do."

"He's never made a bad decision in any of my fights in Britain and I've never questioned his integrity. When we meet again I'm sure we'll shake hands. He is an ordinary guy who loves the sport of boxing."

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Horses to follow: The leading trainers on the level select the thoroughbreds most likely to succeed this season.

# Stable propositions for Flat profit

Interviews by Richard Austen

The Flat season on turf starts at Doncaster tomorrow and will be punctuated through a maze of meetings that stretch through until the season concludes at the Yorkshire venue in November. Leading trainers have picked their best prospects for the months ahead. The same exercise this time last year yielded these comments from Luca Cumani: "High-Rise is a nice three-year-old by High Estate who won a seven-furlong maiden at Doncaster. He is going to stay a mile and a half." Evidently - High-Rise scored at Pontefract (2-1) and Lingfield (15-8) before winning the Derby at odds of 20-1.

**IAN BALDING**

Al Azhar didn't race last year - he had a broken bone in his leg - but he's a real nice horse, going like a bomb. He'll be in handicaps initially, but is probably a Group-class horse at a mile and a half. Night Shot makes his return on Thursday. He won't quite be ready, but is a real decent handicapper who could go on to Group-class. For a mile, there's a Puntar, third in the Cambridgeshire.

**MICHAEL BELL**

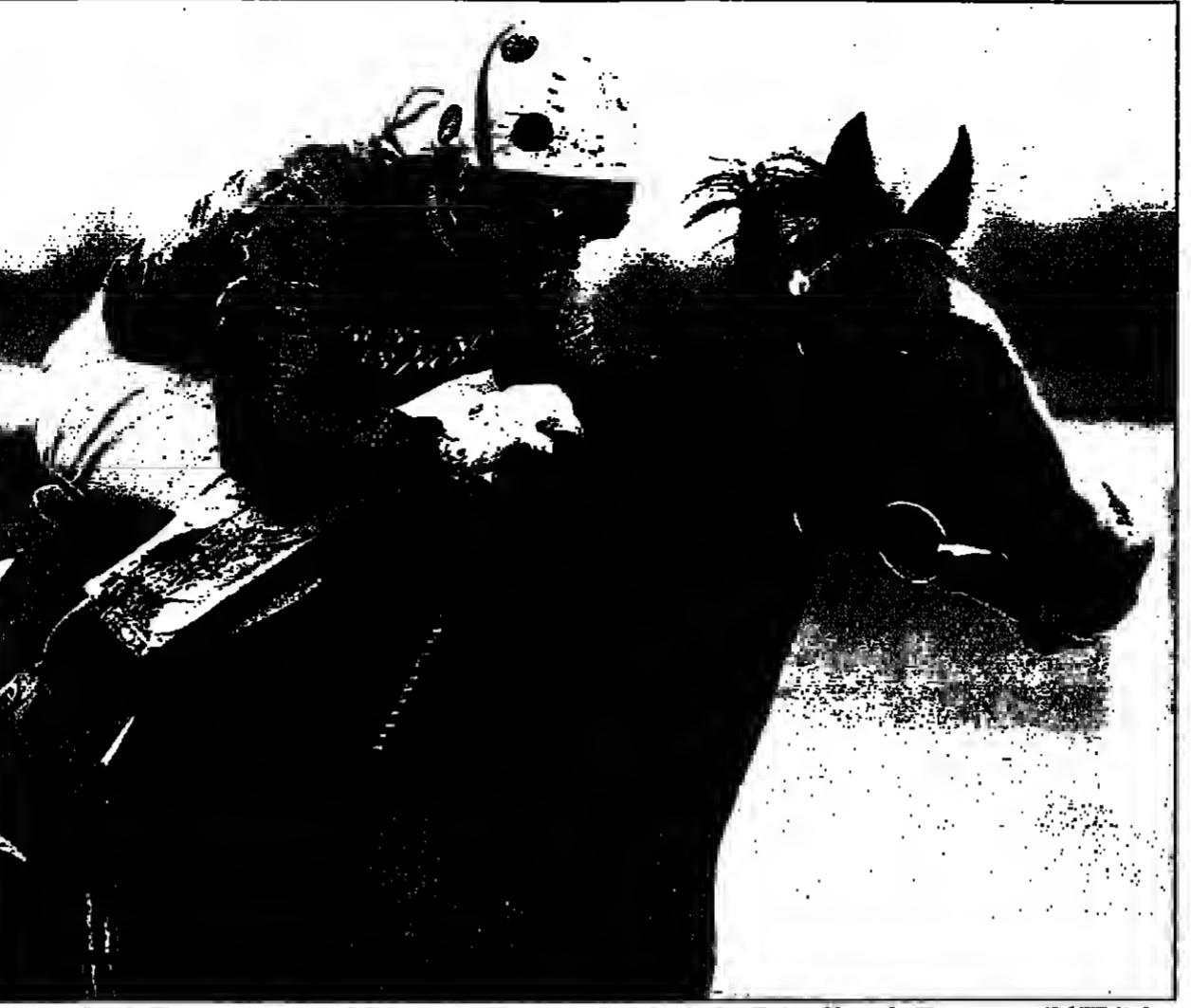
Regal Exit only ran twice last year for Mick Channon and was third in a maiden at York. I know Mick always liked him and he seems, in what we've seen so far, to be potentially high class - at 1m to 1m2f I'd say. Hob No was a progressive horse last year and he seems to have strengthened up over the winter. I think he's on a pretty nice handicap mark.

**JACK BERRY**

I'll try and pick you out a couple of sharp two-year-olds. Swing Of The Tide is by Sir Pekan, and Susie's Flyer is a half-sister to Selhurst Park Flyer by a first-season sire, Fimaira - I'd never heard of it before. If you want two older horses, I'd go for Angie Baby and Iris May.

**CLIVE BRITTAINE**

Invader, by Danehill, ran a couple of times last year and showed a bit of promise, but he's done tremendously well through the winter and I don't think we've seen anything near the best of him. He's certainly a Group horse in the making. Thunder Sky ran some very good races and he could be another Group horse. I think Invader could get 1m2f/1m4f, and Thunder Sky, I'd be almost certain, he'd get 1m4f.



'Commander Collins was very weak last year and can only get better' - Peter Chapple-Hyam Ed Whitaker

**ROGER CHARLTON**

Borgia [not to be confused with the German mare of the same name] is a 4yo filly from a late-maturing family. She is a half-sister to Tutchester expected to come into her own in 1m4f-plus handicaps. Seanne won a back-end maiden at Leicester; is now qualified for handicaps and should be suited by 1m to 1m2f.

**PAUL COLE**

Markan ran inexplicably badly at Ascot, and then he won nicely at Newbury. He's entered in the Classics. He's got no Group form as such, but he's a jolly nice horse and we've done well with Affirmed horses here. A horse who's in particularly good form this year is Carry The Flag. He got jarred up in the Italian Derby - and later in the season look out for Courteous,

**LUCA CUMANI**

For top quality, you'd better go for Kissogram. She won't run a lot, but when she runs she'll run very well - she's just going to have a few well-chosen targets, mostly towards the end of the season. For one less exposed, you could go for a horse called Silver Robin. He had one run at the second at Doncaster at the backend, finishing strongly. He'd want cut in the ground.

**ED DUNLOP**

Al Nahas is by Mr Prospector out of Forest Flower. He was second at Newbury and then won a maiden here at Newmarket. He has been entered in all the Guineas - whether he will actually stay a mile, we will only know in time for the trials. He's got a lovely temperament. Date

is by Cadeaux Generoux. He ran in a maiden at the July Meeting and finished third. A big, strong horse, who has done very well, he never ran again last year. The ground was very, very firm at the July Meeting, he jarred his knees and we put him away. He'd want cut in the ground.

**JOHN DUNLOP**

I suppose you'd better put in Muqabid, he's the champion two-year-old. We're pleased with the way he's gone so far. Obviously, the objective will be the Guineas. I would think a run beforehand and I would probably prefer the Craven. On paper, he needn't necessarily get the mile, purely on pedigree. But he won the Dewhurst by staying and it's a stiff seven furlongs there and an easier mile on the July course. Adauana is a very

well-bred 3yo by Nashwan, a half-brother to Hernando, and he won his last two last year like a nice, improving staying horse. He just could be a 2m horse.

**TIM EASTBURY**  
Flanders and Pipalong have done well. Donnie Action would have a good chance of having a decent season. Jo Mell is in good form. I think he might just struggle if he gets into Group class, but the prize money is good in these big handicaps isn't it? With a gelding, that's what you look at. There's no good going for the glory and getting a little bit - you might as well go for the big one and get the money.

**LES EYRE**

We've a nice 3yo called Amazon and a 4yo called Caramba. We're a nice 3yo called Amazon and a 4yo called Caramba. They're a nice 3yo called Amazon and a 4yo called Caramba.

be. Caramba won at two, but was never right last year. She's been away home, come back and looks a million dollars. I just have a feeling she could be the horse of the year this year. With Caramba you're talking of a good/good to soft ground, and has strengthened up quite a lot.

**JAMES FANSHAW**

Persian looked quite progressive, then went wrong, but he's filled out from three to four. Musician is a Shirley Heights filly out of a tough mare called Rose Alto. This filly was pretty immature last year and has strengthened up quite a lot.

**MARK JOHNSTON**

Spirit Of Love: there have been comparisons with Double Trigger which are unrealistic - Double Trigger would have given him something in the region of 2/ stone if they'd met in the Cesarewitch - but the interesting thing about Spirit Of Love is that he's only run twice at 2m and beyond, and on both occasions he won in a canter. There is the hope that he will be a considerably better horse when he goes over further, and we've big hopes for him in the Cup races. Royal Rebel is still a maiden. He ran in two Listed races and a Group One; I still think very, very highly of him, and he'll come out and work his way through the ranks. We're still hoping that he'll climb his way back up to Group races.

**RICHARD HANNON**

Wallace would be a pretty decent horse this year. Bahamian Bandit - I don't know whether to go handicap-wise with him or go a little better. Sailing Shoes will probably go at Easter too, for the Quail. There's three ear-

lyish ones for you.

**BRIAN MEEHAN**

Tumbleweed River, he goes for the 2,000 Guineas. He'll probably run first in the Greenham. A nice big horse by Thatching, he ran once last year and dead-heated for second at Ascot - got badly left. He's working very well. Tomba may run over a mile this year. He's very, very well and may have his first run in the Lockinge.

**JEREMY NOSEDA**

Snowy Range - unraced last year, beautifully-bred filly, good action. We hope that she'll win her share of races. Desert Knight - by Green Desert out of Green Leaf - unraced last year, a big, long-striding horse, still slightly backward. I'd be disappointed if he doesn't win a couple of races. Both should be suited by a mile, and might go a little farther.

**JOHN HILLS**

Casino Royale is a half-brother to Crimson Tide. He's a late-

Brooks remains on bail until April

on the same day, the jockeys Ray Cochrane and Graham Bradley were arrested. Cochrane has since been released without charge.

Brooks was originally due to answer bail together with Bradley on 10 March. However, he was out of the country at the time and had his date changed to today. He has now been rehauled until the date of Bradley's next appearance.

Speaking at Uttoxeter yesterday, Brooks said: "The police have changed the date to 13 April, which is the same day as Brad goes, so I suppose that is sensible. I had asked for the change of date to tomorrow because I was going away so I can't complain they've switched it now."

"Another couple of weeks won't matter anyway. I am sure everything is going to be all right."

**CHARLIE BROOKS**, the former trainer who was due to answer bail at Charing Cross police station in London today, has been asked to appear on 13 April instead. Brooks went voluntarily to the station on 8 January after the Metropolitan Police's Organised Crime Group investigating allegations of race-fixing and horse-doping had visited the home he shares with Miriam Francone.

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# Hendry to retire after Euro 2000

THE SCOTLAND defender Colin Hendry intends to retire from international football after the 2000 European Championship. The 33-year-old Rangers centre-back will miss the home qualifiers against Bosnia this Saturday and the Czech Republic a week on Wednesday as he recovers from an ankle injury.

Hendry said: "My aim is to go to Euro 2000 and then [retire] after that. I have 58 caps now and I would love to make 50 and enter the Hall of Fame."

"Then I will have two years left on my contract, and it's a crucial time because I must

BY KEN GAUNT

give myself every chance to keep playing. I've always done my best for Scotland, but staying on after that could be a bridge too far."

Hendry was 27 when he won his first cap, against Estonia in May 1993, but he became such a formidable figure that he went on to captain Scotland in the World Cup finals last year. A year after his debut he helped Blackburn to win the Premiership title. However, it was always his ambition to finish his career in his homeland - he was born

in Keith - and he left Ewood Park last summer for Rangers. Hendry signed a four-year deal after a £4m move, but his progress this season has been hampered by a series of injuries.

His Rangers team-mate, Barry Ferguson, could have played his last game at club and international level this season. The 21-year-old midfielder is suffering from a pelvic problem and he will now visit a specialist in London today.

While disappointed that Ferguson is ruled out, the Scotland manager, Craig Brown, is comforted by the fact that he has a

strong midfield pool. Gary McAlister, who captained the side before missing the World Cup finals because of a serious knee injury, is back in the squad for the first time in 18 months.

Brown said: "It is frustrating for Barry and for Scotland that he is injured because he has been coming along well. Now it looks as though he may be out for the bulk of the rest of the season if not the whole of it."

"But at least we have good cover in midfield with the likes of McAlister, Paul Lambert, David Hopkin and Ian Durban."

The Wimbledon goalkeeper Neil Sullivan is likely to retain his place, with the Leicester defender Matt Elliott replacing Hendry. The Everton striker Don Hutchison looks set to make his debut and partner Aberdeen's Eoin Jess up front.

Uefa ruled last month that the Denmark game should remain at Anfield, because there were "no urgent sporting or organisational reasons" for switching it and has now thrown out the FAW appeal against that decision.

The European body has deferred a decision on the Republic of Ireland's Euro 2000 qualifier against Italy and Denmark at Anfield.



Hendry: Injury problems

**Mols is set for major impact**

BY HUGH MCCHUGH

THE UTRECHT coach, Mark Wotte, believes Michael Mols can make as much impact at Ibrox as Henrik Larsson has at Celtic. Mols will join Rangers next season from the Dutch club for £4m.

Wotte is disappointed that his Dutch international striker is leaving because of the influence he has had at the club. Wotte is warning Scottish defences that Mols can emulate the prolific Swede. Larsson, whose 35 goals have been the highlight of Celtic's season.

"I know Scottish football and that Michael will score between 20 to 30 goals a season," Wotte said. "He is as good as Larsson and has the exact same qualities as a player, even though their styles are very different."

Larsson likes to run at defences from left or right and Michael is a much more central player.

"He plays with his back to goal and that is a very important because he can link with players moving forward from midfield."

"He can be just as influential for Rangers as Larsson is at Celtic. One thing is for sure, we will be unable to buy another striker of his quality."

The Sheffield Wednesday manager, Danny Wilson, was told yesterday that he must pay a fee for St Johnstone's Philip Scott if he wants to sign the midfielder before tomorrow's transfer deadline.

Saints say Wednesday have made a "desirous" offer for Scott, although the Scottish Premier League side have to let the 24-year-old leave McDiarmid Park on a free transfer in the summer under the Bosman ruling.

Wilson has already agreed terms with the Scotland Under-21 international who has signed a pre-contract agreement along with the Celtic pair, Phil O'Donnell and Simon Donnelly, who did so last week.

As is the case with the Bhoys duo, the Owls are not willing to part with enough money to prise any of the three players away from their respective clubs. The St Johnstone managing director, Stewart Duff, said: "They have made an offer which we have turned down. In fact what they have offered would not be half the player's wages for a season."

"What we are asking is not unreasonable and we are quite prepared to keep the player until the end of the season if necessary."

"Sheffield Wednesday are losing out on having a good player for a couple of months, while Philip is losing out on a couple of months' experience in the Premiership."

"The pressure is all on Sheffield Wednesday to sign him, not on us to sell him. They want him they will have to come and get him."

Both Wilson and the player's agent are still confident a deal can be struck, with Wednesday looking for a hit to their squad after a run of four successive defeats.

Wilson said: "We've agreed personal terms and, like with the Celtic pair, he will either come before the transfer deadline or in the summer."

"I'm very hopeful, though, that this will go through before Thursday. Philip is a quality player with a good goalscoring record from midfield and an ideal replacement for Jim Magilton." Magilton joined Ipswich on Monday for £700,000.

## Sharpe shipped back to Bradford

BRADFORD CITY are bringing Lee Sharpe home from the Italian club Sampdoria today in one of the most intriguing transfers, writes Alan Nixon. The former Manchester United and Leeds winger will join Paul Jewell's club on loan for the rest of the season after a short stint in Serie A.

Sharpe moved to Genoa during David Platt's brief reign, but is not in the club's long-term plans and hopes to resurrect his career at Bradford. Sharpe still has property in Leeds and his signing is ideal for both player and club.

Aston Villa manager John Gregory acted yesterday to try to halt his club's dire run of form by signing Scottish international defender Colin Calderwood from Tottenham Hotspur.

Calderwood, 34, signed in a

£25,000 pounds deal that sees Villa take over his contract which runs until the end of next season, the club said. The Scot, normally a centre back, played mostly in Spurs' midfield last season but has played only once since December.

Villa have picked up just one point from their last eight games and are short of cover at the back after learning that Ugo Ehiogu was likely to miss the rest of the season after fracturing his eye socket in January.

Kevin Campbell is signing for Everton from the Turkish club, Trabzonspor. Campbell refused to play again for the club after the president referred to him as a "cannibal". Everton will not have to pay a fee for Campbell, who was on his way home last night, after discussions with

Everton manager Walter Smith.

Michael Owen and Robbie Fowler

Meijer was pursued by several English clubs and valued at around £2m earlier in the season. However he waited to exploit the Bosman rule and has got his permission to speak to Liverpool. Riedle is likely to return home after growing disillusioned with his lack of opportunity at Anfield. Despite an impressive record he has only played a handful of games in two seasons.

Alex Ferguson, the Manchester United manager, has valued Terry Cooke, his winger at £1.5m. Cooke is currently on loan at United's promotion-chasing neighbours Manchester City.

Liverpool are signing Erich Meijer, the Dutch striker, on a pre-contract as part of Gerard Houllier's planned revolution. Meijer, 29, has agreed to join the Anfield club in the summer when his current contract expires in Germany where he plays for Bayer Leverkusen.

He is an obvious replacement for unsettled Karoline Riedle and is content to sign despite competition for places from

dello Sport said Juventus have offered Arsenal 35m Italian lire (£12.5m) for the 20-year-old, and are now prepared to raise that sum after he scored both goals in France's 2-0 win over England at Wembley last month.

Jim Smith may be set to beat Derby's transfer record with a £3m move for Seth Johnson.

Smith has talked to Dario Gradi, the Crewe manager, about the 20-year-old midfielder.

Edinho, the Bradford striker, who spent time on loan at Dunfermline, has returned to Portugal to join Second Division leaders Portimonense Sporting Clube on a free transfer.

Dennis Wyness, the Argentinean midfielder, has agreed a two-year deal to stay at Pitodrie. Dundee's Scotland under-21 winger, Iain Anderson, has joined Chelsea for trials.

MICHEL PLATINI, who is masterminding the plans of world football's governing body, Fifa, to modernise the game, has supported the idea of a "summer season" from February to December in order to improve the chances of a biennial World Cup.

"To achieve this goal we must reform the calendar to restore the credibility of national teams," Platini said in L'Equipe, the French sports newspaper, yesterday. He suggested the solution could be a "summer season, which would start in February and would finish early in December."

"It will not be easy because of the concentration of the dates of European cups, the dropping of the Confederations Cup and of the Intercontinental Cup to be replaced by years later."

Sven-Goran Eriksson has extended his contract as coach of Lazio, Italy's Serie A leaders, until June 2002, in a deal worth at least twice his current salary.

The new calendar could start in 2005 to allow a World Cup to be held in 2006. Platini has also discussed, with Sepp Blatter, the Fifa president, the idea of a Centenary Cup in 2004 to be played between the seven World Cup winners - Uruguay, Italy, Germany, Brazil, England, Argentina and France. Fifa will celebrate its centenary in 2004.

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The new calendar could





Cup,

ed by this, as much as anyone. Now that the uncertainty over his future has been removed, may see his true potential bloom.

England's captain, Alec Stewart, called on the players to give Lloyd a successful send-off by winning the World Cup for the first time this summer.

"It's disappointing news to us all. It's been a real pleasure to work with him, he's a good man, thorough, loyal to his players and completely professional," Stewart said. "He has brought a real sense of passion to the job of England coach and it would be great to reward him with a World Cup as a final note of thanks from the players for all he has done for us."



Yesterday

12 April 1999

THE INDEPENDENT

Wednesday 24 March 1999

# BUSINESS REVIEW



## STAGECOACH!

**AN EPIC TALE OF THE WILDEST BUS MAN IN THE WEST**

**Inside:** How the boys from Yahoo! beat Rupert Murdoch and Bill Gates into Cyberspace, page 5

Losing it with flowers: the man who blew £10m, page 4

Who's the most switched on TV executive? page 6

**Plus:** Hamish McRae, Diane Coyle, Derek Pain, Jo Davis and The Trader

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# When taxation adds up to a moving experience

**BUSINESS IS** on the move and tax is in the driving seat. As anyone who tried to drive in central London on Monday will be aware, British lorry drivers are threatening to flag out their fleets to Belgium or Luxembourg. But that is just one example of a growing trend. Look elsewhere in Europe and you find: Swedish companies moving divisions to London; German industrialists switching investment to Eastern Europe; French companies crossing the Channel to Kent; and doubtless many more moves happening or being pondered elsewhere in Europe.

In one sense this is nothing new. Taxation has always been a major factor in plant location – that is why Ireland in particular has given such generous tax holidays to companies investing there, or why the Canary Wharf complex was built in the enterprise zone in London docklands. As for “flagging out”, flags of convenience have dominated global shipping for a generation. But the growing integration of the European economic area and the advent of the euro have given a new twist to tax competition in Europe.

The British road hauliers happen

to be at the wrong end of what is a cultural distinction within Europe, as well as an economic one.

Ever since the 1950s it has been an aim of British tax policy to load “sin taxes” and since the 1980s it has been policy to cut tax on earning individuals. Road transport is deemed sinful in the UK, as are smoking and drinking. So diesel and lorry licences have by tradition been particularly highly taxed – as have cigarettes and booze. By contrast, on the Continent (though not in the Nordic countries) drinking and smoking, far from being frowned on, were celebrated, and France in particular sought to shift road transport from petrol to diesel to cut the volume of imported oil. So diesel was taxed at a much cheaper rate than petrol. Meanwhile the idea that driving should somehow be sinful would seem absurd in France, Germany or Italy.

So different tax structures developed. Until recently the scope for leakage of revenue, as a result of these different structures, was limited. It took a while for the smuggling rings to develop, bringing in cheap continental tobacco and drink, and it has taken a while for

foreign hauliers to move into the UK market.

As for diesel fuel, while the UK Treasury has been worried for at least 10 years by the extent of revenue lost by foreign hauliers filling up abroad and returning empty, its conclusion was that the loss of revenue was tolerable. After all, no one was taking lorries across the Channel simply to fill up on the other side.

That was probably the right judgement. All economies have frictions, and tax authorities could rely on these. Differences in taxation had to be quite large for companies to decide that they must adjust the way they run their businesses. There are legal and other costs to relocation, and cultural barriers too. Besides, you don’t know at what stage there will be a change of government at home and tax policy will be reversed. For new investment there is a clear either/or choice: do we put the plant in this country or that one? Upping and leaving is a much more complex decision.

In the past few years, however, the frictions have become less marked. Accordingly tax competition has increased dramatically, as



HAMISH MCRAE

Lorry drivers threatening to relocate abroad to escape high UK road duties are part of a growing trend of companies abandoning a traditional national base in search of more favourable trading climates

power has shifted away from governments to the business sector. There are at least 10 reasons for this shift in power.

1. The increasing importance of cross-border mergers. Whenever such a merger takes place the new group chooses which country should be the formal headquarters. Taxation is an important factor in such a choice. Sweden has lost the headquarters of several companies.

2. Growth in cross-border investment in white-collar functions. When people think of foreign plants they usually think of foreign factories. Much new cross-border investment is, however, in white-collar activities – research and marketing for example. This is easier to relocate because, though core staff have to move, there is no need to move physical plant.

3. Growing importance of human capital vis-à-vis other forms of capital. If a company’s most important resource lies in the brains of the key people, location has to fit their aims and objectives. Swedish companies in particular find they have to locate many divisions outside Sweden (typically in London) as foreign

staff will not pay Swedish taxation. Electrolux recently did just this.

4. (Associated with 3) The emergence of an international cadre of business talent that will move location very easily and freely.

5. Improved (and cheap) telecommunications, in particular e-mail and the Internet-related technologies, which enable white-collar functions to be located anywhere – not necessarily at head office – and still connect into the corporation’s information network.

10. And finally, the advent of the euro. Why is the euro at the end? Because while it is a catalyst for change, all the above shifts would have taken place – indeed, are taking place – without it.

The big point here is that these forces (and doubtless any business executive would add a couple of his or her own) are creating a much more utilitarian attitude towards government. Governments have a choice: they can either woo business or they can can it. But if they do the latter, they may not themselves survive, as “Red Oskar” found out.

The lorry drivers blocking central London may not feel more powerful relative to government just now but the more they exert their power by registering their vehicles offshore, the more they will feel that power. They may even come to enjoy it.

## DATELINE: BANGALORE

# Silicon Valley of the sub-continent

BY MIKE HARRISON

20,000 to 24,000 rupees a month (£285 to £340), some 10 times the average income.

But the success of the sector has also brought familiar problems. The population of Bangalore has exploded from 1.5 million to five million people in six years and, not surprisingly, the infrastructure is breaking at the seams. Everywhere you look there is a mangle of half-finished apartments.

Since the software industry employs only 40,000 in Bangalore it is responsible directly for only a fraction of this population growth. But software has put Bangalore on the map. Where the likes of Siemens, Oracle and Microsoft have led, others follow. Every inward investor into India, whatever their business, makes a beeline for Bangalore. In turn, the rising affluence of the city has acted like a magnet for the whole region of Karnataka, fueling mass rural migration.

The Indian government seems happy to live with such problems of success. Its National Information Technology Taskforce has set some ambitious goals. The Indian IT sector employs some 400,000 in total, of whom about 230,000 work in software. But the target is to create a further 500,000 jobs over the next five years and grow the value of software exports to \$5bn in the next 10 years.

So why India? And, more specifically, why Bangalore? Dewang Mehta, president of India’s National Association of Software and Service Companies, says mischievously that one of the explanations for the growth of the Indian software industry has nothing to do with cheap labour or the plentiful supply of computer-literate graduates. “The only reason that a lot of Indian banks and financial institutions installed PCs in their offices was so that they had an excuse to fit air-conditioning at the same time.”

But it is no accident that India exports twice the amount of software that is sold in the domestic market or that most of the software companies in Bangalore are reliant on overseas customers, many entirely so. Companies which export 100 per cent of their output do not have to pay tax for 10 years. This, coupled with



India's new Electronic City, just outside Bangalore, has become the country's software capital

C Bowman

wage rates which are perhaps a sixth of those in the US or UK, has enabled India to become an important offshore centre.

Much of the software written in India is not proprietary and much of the income comes from maintenance work, upgrading the software installed in Western companies while the customer sleeps. The software which enables London Electricity to operate the capital’s power grid comes from India. Many of the millennium bug computer upgrades for UK-based banks and financial service companies are being carried out in India.

The structural reforms ushered in during the reign of Rajiv Gandhi and his “computer boys” as Gandhi’s inner-circle became known, also helped the software industry. Whereas it used to take nine months to import a computer, the waiting time was cut to weeks. The government also made it possible to hire IT consultants outside India and, crucially, abol-

ished the office of Controller of Capital Issues (a bureaucrat who in effect decided the price at which companies were permitted to issue shares) making equity funding of software companies a viable option.

Mr Mehta identifies another trend. “The brain drain which saw a lot of Indian software engineers migrate to the US has begun to reverse.”

Why Bangalore is a more difficult question to answer. Some put it down to the Californian-style climate and stable politics of south India. Others to the proliferation of pubs where the computer nerds can hang out. The seminal event is generally held to have been the arrival of Texas Instruments in Bangalore in 1986. But that is not the whole story. Five years before TI arrived, a group of seven software professionals got together and with \$300 of capital formed a company pledged to the ethical creation of wealth. Today that company, Infosys, is valued at \$1.5bn.

The company, India’s sixth biggest software exporter, is still run in the same ethical, paternalistic manner. Its chairman and co-

founder, Narayana Murthy, begins his staff memos “Dear Folks”, all employees are known as Infosysians (and their children as “Petit Infosysians”), lunch in the subsidised canteen costs nine rupees (15p) and every employee receives a birthday present from the company (this year it was a backpack).

Although the business was founded on the lofty principles of “fairness, honesty, transparency and courtesy”, its employees have been incentivised by something baser. After the business was floated on the Indian stock market in 1992, staff were given stock options at 100 rupees a share. Today, those shares have risen in value 300-fold and some 1,345 eligible employees are sitting on stock worth \$52m – an average profit of \$39,000 each and considerably more in some cases. Staff are also offered zero per cent mortgages and loans to do everything from buy a car to getting married.

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says. “We want to maintain the philosophy of ‘emotional ownership.’”

Infosys, along with the rest of the Bangalore software community, has its work cut out on other fronts. India needs to maintain its cost advantage over other countries and demonstrate that it is at the cutting edge of software development. Raman Chak, Oracle’s executive director for India, insists that the calibre of its staff is now as important as the cost advantage, which he warns is being eroded through high capital and infrastructure charges – international telephone charges are \$2.50 a minute, for instance. “My reckoning is that although staff costs are only perhaps an eighth of those in the US, the overall costs are nearer 30 per cent. If that figure rises above 50 per cent then some software companies will ask whether it is worth being based in India. There might still be a sale going on but would you want to drive 16,000 miles to get to it?”

Within India, Bangalore is facing increased competition from Hyderabad and Bombay, which is still in absolute terms the biggest software location in India. Externally, the software firms are competing more for projects with offshore centres such as Ireland and Israel. Mr Murthy says Infosys is now considering setting up centres in low-cost economies, including Mexico, Ireland, China and the Philippines.

But perhaps the biggest obstacle to the expansion of India’s software industry and at the same time the biggest growth opportunity lies in its own backyard. Only 2 per cent of Indian homes have a telephone and even fewer a PC. The government has set a target of increasing that to 15 homes in every 100 within 10 years. Sudheendra Kulkarni, director of communications and research in the Prime Minister’s Office says: “The computer industry here has grown in spite of rather than because of government policy. We now need to bring together the public and private sectors to encourage computer literacy on a mass scale, not something which is confined to an elite class.”

Given the extent of basic illiteracy which still exists among India’s 900 million people and its miserable experience so far in liberalising its telecoms industry, nobody in Bangalore is holding their breath.

## A WEEKLY DIGEST OF THE WORLD'S FINANCIAL PRESS

BusinessWeek

FORTUNE

MARKETING WEEK

The Economist

FINANCIAL NEWS

FINANCIAL TIMES

THE WALL STREET JOURNAL

**BUSINESS WEEK**  
From boardroom to Brussels  
change is sweeping across Europe

**FORTUNE**  
Monsanto scents a success amid the attacks by Wall Street and European environmentalists

**MARKETING WEEK**  
Many feel more could be done to encourage competition between beers behind the bar

**ECONOMIST**  
Clinton's debt relief solution for the poorest countries simply does not go far enough

**FINANCIAL NEWS**  
Getting remote terminals for UK futures into the US hinges on lobbying from American players

**FINANCIAL TIMES**  
Why Government handouts to car companies should stop

**WALL STREET JOURNAL**  
Why trying to avoid bank branch closures across Europe is dangerously short-term

**NEW DEMANDS** for transparency and accountability are eroding Europe’s old tolerance for corrupt backroom deals and cronyism. But... even though they have resigned (Edith) Cresson and her fellow European Commissioners refuse to admit they have done wrong. Similarly, executives at Telecom Italia and Paribas tried to save their jobs by backroom deals. The takeovers must continue, and a new European Commission president appointed quickly. Only if the clean-up is pushed to its logical conclusion will Europe become less corrupt - and a fairer, more open place to do business. Editorial Comment

**FORTUNE**  
Monsanto scents a success amid the attacks by Wall Street and European environmentalists

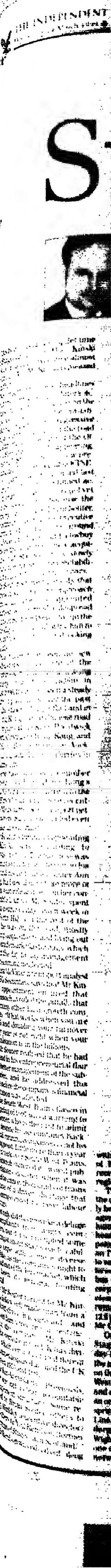
**MARKETING WEEK**  
The PROBLEM lies in the way the industry is structured. The big brewers control most national brands, and these are the ones the publics want. A pack mentality leads to increasingly regimented drinking behaviour. The solution? One is to introduce progressive beer duty, charging lower duty for smaller breweries. This could lead to a flood of niche, specialty beers from the UK’s 400 independent brewers. Ten years after the Beer Orders attempted to introduce more competition to the UK beer market, action needs to be taken to stimulate competition – not for continuing to punish the poor for the sins of their past rulers. Editorial Comment

**ECONOMIST**  
THERE IS a good reason why debt relief produces meagre results: that the starting-point is too stingy. Calculations are based on the fiction that it might be repaid. Many countries default on bilateral debt, even as they repay multilateral lenders. This is absurd: debt relief should free resources. Mr Clinton’s initiative to forgive more loans should be cheered. It is unfair to poor countries that just fail to qualify; it is unjust to those that strive to be good debtors. But these are all arguments for more generosity – not for continuing to punish the poor for the sins of their past rulers. Editorial Comment

**FINANCIAL NEWS**  
SINCE MOST car companies in the UK – and the rest of Europe – are subsidised, it would be difficult for the UK government to refuse all help to save jobs in this case. The cost per job is high. But it is only half the cost to the taxpayer of the 6,100 jobs created by LG of Korea at two plants in Wales. In a world of excessive subsidies to car production, the chance BMW may justify one last bet. But it must be the last. The UK government and its EU partners should try to end the absurdity of competing to subsidise an industry suffering from chronic overcapacity. Editorial Comment

**FINANCIAL TIMES**  
ITALY NEEDS bankers. It needs to get rid of some redundant bank tellers and managers, to be sure, but it needs to hire personnel that can sell personal and life insurance and other financial services. A rationalisation of the industry is long overdue in the country where banking was invented, and would in the long run create employment. This will be achieved at a faster rate if the next step in the process is in fact the kind of cross-border mergers that open up the Italian banking industry, long noted for its insularity, to influences from other parts of Europe. Editorial Comment

**WALL STREET JOURNAL**



# The reining-in of the Stagecoach Kids



No stunt was too naff for Brian Souter and his sister Ann Gloag, co-founders of Stagecoach. But with the publicity came the unwelcome attention of the OFT and a growing image problem. That was until the chino-wearing Souter brought in the suit-wearing Mike Kinski (left), and buttoned-up sobriety became the order of the day

BY CHRISTIAN WOLMAR



Brian Souter and Ann Gloag, the Stagecoach brother and sister team with a reputation for high-profile, aggressive marketing Scottish Daily Record

IT HAS been a relatively quiet time for Stagecoach since Mike Kinski took over as chief executive almost a year ago. And Mr Kinski is pleased with that.

No longer are there headlines about the company's predatory activities. Or about its cock-ups on the railways. Gradually the swash-buckling image of an aggressive company driving rivals off the road and attracting the wrath of the Office of Fair Trading is disappearing.

Instead, Stagecoach is now presenting itself as a respectable FTSE-100 company - which it joined last summer - intent on continued acquisition and growth. It may not yet quite be sober-suited because the company's co-founder Brian Souter, who remains a very active executive chairman, still gallivans around the globe in chinos and cowboy shirts in the search for new acquisitions, but Stagecoach is slowly earning the veneer of respectability that eluded it in its early years.

Mr Souter showed the City that he knew it was time for Stagecoach to grow up when he appointed Mr Kinski, who earned widespread plaudits at Scottish Power to run the day-to-day business, allowing him to keep on travelling the world looking for deals.

While there have been no new blockbusters of the size of the Porterbrook rolling stock leasing company, bought for £26m in August 1996, there has been a steady stream of purchases over the past year: the stake in Virgin Rail and in the Hong Kong-owned Chinese road toll company Road King; Prestwick Airport; Citybus in Hong Kong; and the Yellow Bus company in Auckland, along with Fuller's Ferries in the same city.

There have also been a number of misses, such as Hong Kong's China Motor Bus, which went to the rival FirstGroup and, more recently, the Melbourne local transport network where Stagecoach failed even to make the shortlist.

Mr Souter's timing in appointing Mr Kinski was, according to analysts, spot-on. The business was growing too big for him to run on his own, and his co-founder, sister Ann Gloag, had decided to take more of a back-seat role and rest on her considerable laurels. Mr Souter spent only a couple of days each week in the Perth HQ, and the rest of the time he was on the road, mostly seeking acquisitions and living out of his trademark plastic bags, which meant the day-to-day management was becoming neglected.

Mark McVicar, a transport analyst with SG Securities, says that Mr Kinski's appointment ensured that Stagecoach avoided the pitfalls that trap many other high-growth companies: "What works when you are small and doubling your turnover every year is not right when your capitalisation is in the billions."

"Mr Souter realised that he had to blend in his entrepreneurial flair with better management of the subsidiaries, and he addressed this issue before the company's financial reputation was affected."

The South West Trains fiasco in the spring of 1997 was a warning to Mr Souter, who is the first to admit that, despite his accountancy background, running companies is not his strong point. Little more than a year after it took over South West Trains, Stagecoach suffered its worst public relations disaster when it was forced to cancel thousands of trains because of a driver shortage that was compounded by poor labour relations.

Not only did this provoke a deluge of complaints from angry commuters, but it also prompted some City angst about Stagecoach's ability to cope with a more diverse portfolio, as the company sought to expand out of the bus market, which had been its original hunting ground.

So Mr Souter turned to Mr Kinski, a fellow self-made man from a working-class background, and allowed him a free rein in restructuring the company. Mr Kinski quickly sorted out the UK bus division, which consists of 19 different companies acquired around the UK between 1986 and 1997.

Mr Kinski explains: "Previously, there was not a clear accountable management structure. Some reported to Brian Souter, others to Barry Hinkley [executive director] and others to Neil Renison [former chairman of Stagecoach Scotland]."

Mr Renison was edged out along

with another executive, Jim Moffat of Fife Scottish, and Mr Kinski reorganised the mess into three regions, each accountable to him.

Then he set about strengthening the centre and filled what had clearly become gaping holes in the management of a major company - no human resources director and no head of communications. Both appointments were made quickly and an IT director was also brought in to sort out problems such as the different payroll systems used by all the bus companies. It was the birth of corporate Stagecoach, even though elements of the family history remain as Brian Souter still retains 12.6 per cent of the shareholding and Mr Gloag holds 10.2 per cent.

One tangible result of the way Stagecoach has focused more on day-to-day management has been the improvement in its performance on the railways. Reliability on South West Trains services has improved and new trains are on the way, with an order for 30 four-car trains in the spring. And Stagecoach's tiny Island Line, which runs old London Underground trains on the Isle of Wight, last month became the only one of the 25 franchises across the network to obtain the coveted

"A" grade from the franchising director who monitors train services.

Now, with restructuring costs no longer a factor, rail has also begun to be highly profitable, with profits up last year by 121 per cent to £17.3m, helped by a 7 per cent rise in passenger numbers.

The subsidy profile on South West Trains is incredibly generous, a reward for Brian Souter's readiness

to take on the first franchise back in December 1995, but the company faces a much sterner test with its 49 per cent holding in Virgin Rail, bought last June for £158m after Mr Souter approached Richard Branson. The deal allowed Mr Branson to avoid a flotation on the stock market, where he had his fingers burnt previously, but the benefits for Stagecoach seem less immediately

tangible since the subsidy paid to Virgin's two franchises, currently running at £171.8m per year, disappears entirely over the next decade to become a premium payment of £238.5m, a very ambitious task even if the current upgrading of the line is successful in attracting new business.

Virgin Trains continued to attract criticism, topping the rail

complaints league, and yet Stagecoach's input in the early months of its investment in the company seems to have been minimal. Last month, however, a new chief executive, Chris Green, who formerly ran InterCity ScotRail and Network SouthEast, was appointed.

While Mr Green is well regarded in the rail industry, the appointment is not risk-free. Mr Green was forced out of the chief executive's job at English Heritage after falling out with the chairman, Lord Stevens, and getting into a wrangle over his expenses. Mr Green has set about his new task with relish. The complex structure of Virgin Trains and Virgin Rail was immediately simplified, and advertisements have been posted for an operations manager for the West Coast main line, the source of most complaints.

Mr Green finds it extraordinary that no one seemed to be running the railway, and while Stagecoach must take some of the responsibility for this, Mr Kinski explains that the focus was on getting the financing in place for the new trains, which was finally achieved in December.

While many City insiders consider Stagecoach's involvement in Virgin to be a prelude to taking over the

whole show, Mr Green is convinced that both companies see the partnership as a long-term proposition: "Mr Branson and Mr Souter are blood brothers. The skills of the two companies complement each other with Virgin providing the entrepreneurial flair and Stagecoach the attention to detail."

He says that a number of schemes involving joint use of Virgin trains and Stagecoach buses are to be announced shortly, such as a link between Carlisle and Stranraer, avoiding the circuitous train journey via Glasgow.

Mr Kinski is also addressing another problem acquisition - Swebus, Sweden's biggest bus company, where margins are in single figures. There is a tighter regulatory framework in Sweden and most services are tendered out in a highly competitive environment, but Mr Kinski insists this is not the problem: "When Stagecoach took it over [in August 1996], it failed to apply its usual model it had used in the UK. Swebus was top-heavy with a head office and four regional offices with each one a fiefdom. Also, even light maintenance was out-sourced to companies taking big margins. Now we are taking costs out, bringing maintenance in-house and we will be able to win tenders and obtain higher margins. We will be in double figures within a couple of years."

Created in 1980 by Brian Souter, his sister Ann Gloag and her then husband Robin Gloag (who was soon eased out), Stagecoach is Britain's biggest start-up company of the Thatcherite era, and grew quickly on the back of successive deregulations and privatisations - coaches, buses and trains.

It is now using the competitive advantage of being based in the country that has been foremost in transport deregulation and privatisation by venturing abroad. Indeed, unless Stagecoach was prepared to take the regulatory risk that a bid for one of its major rivals, FirstGroup or Arriva, would engender, most of its growth is likely to be overseas.

But can it keep up the pace? Not many young companies manage the transition from high-growth, high-risk teenagehood to respectable middle age without a major crisis or a complete change in personnel. Yet Stagecoach, which Mr Souter hopes will double in size again in the next four years, seems, so far, to be making the shift with barely a hiccup.

Some problems remain - underperforming Swebus, the vagaries of the UK rail franchising process, Virgin Rail's over-ambitiousness, Road King's poor share price, the flat margins of the UK bus industry - but all these seem trifling when set against the continued growth in profits, the increase in margins in nearly all sectors, and the continued performance of Porterbrook, the company's milk cow, providing half the profits.

There is also the risk that one day Mr Souter will attempt a deal too far, but there is very little in his record to suggest that he would risk the future of the company on a dodgy deal.

Mr Kinski stresses that he, too, plays an important role in the acquisition process, hinting that he would curb any of his boss's excesses: "Brian brings the ideas to me and to Keith Cochrane [the finance director] before presenting them to the board. I look at how we will operate the new subsidiary, and Keith checks out the figures."

Mr Kinski is also adamant that Stagecoach will not venture into dangerous waters: "We pulled out of Kenya soon after I joined because I don't want to operate in crisis areas. That means we will not be going into Africa, nor into Eastern Europe."

Despite its performance, Stagecoach has never quite been the darling of the City, which remains suspicious of a company that keeps its headquarters in unfashionable Perth and eschews consultants and other expensive City services whenever possible. There are, however, noticeably fewer Cassandras predicting doom for this upstart product of the Thatcher years. And if the double act of Mr Kinski and Mr Souter proves as successful over the next few years as it has so far, the Square Mile may at last embrace the company wholeheartedly.

Christian Wolmar's book, *Stagecoach, a classic rags to riches tale at the frontiers of capitalism*, is published by Orion Books at £18.99.

## INSIDE A BUS AND TRAIN EMPIRE

**Turnover** (year ending 30 April 1998): £1381.5m (half year to October 31 1998 - £722.7m, up 6 per cent)

**Operating profit:** £219.1m (half year to October 31 1998 - £132.1m up 30 per cent)

**Market capitalisation** (24 February 1999): £3.394bn

**Employees:** 33,000 in seven countries

**Board:** Brian Souter (chairman), Mike Kinski (chief executive), Keith Cochrane (finance director), Ann Gloag, Barry Hinkley, Brian Cox, Derek Scott; non-executive directors: Ewan

coast, Glasgow, Fife and many other towns and cities

**Overseas bus:** includes companies in Sweden, Finland, Portugal, New Zealand and Australia, and in the process of acquiring Citybus in Hong Kong

**Rail:** South West Trains, Island Line and Sheffield Tram

**Porterbrook:** rolling stock company

**Airport services:** Prestwick, Britain's second largest freight airport

**Other investments:** include Virgin Rail (49 per cent) and Road King (29.2 per cent)



Brown, Barry Sealey, Robert Speirs

**Divisions:**

**UK bus:** 19 companies including

operations in London, Manchester, Newcastle, south

هذا من الأصل

## ENTERPRISE ISSUES

# Invest in machinery made of flesh and blood

WE HUMANS – described by one tetchy writer as “the wet side of the carbon-silicon divide” – have a natural tendency to regard machines as human too. If your computer plays up, you talk to it, shout at it and finally hit it, in a caricature of a dysfunctional human relationship.

But the key to understanding many trends in the modern, weightless or knowledge-based economy is rather to think about humans as machines. Human capital has finally become as important as physical capital in economic growth.

This is why so many people in professional jobs work all hours, facing a dilemma about how to balance work and home life – how to combine being a piece of expensive capital equipment with being a person too. Such workers represent a long and expensive investment in knowledge and expertise, and one for which employers pay with high salaries. Research published just over a year ago by the Institute for Fiscal Studies confirmed that the

returns to higher education are in double digits.

As with any type of costly equipment, the employers leasing them at expensive rates want to sweat their human machines as much as possible. The more hours of work they can extract, the better. The limits are physical – humans are less productive when they suffer stress and get too little relaxation and sleep. They burn out or drink too much or fall ill.

Still, with the technology available to staff to their work even when out of the office, the temptation for employers to demand more and more effort is immense. Few resist it.

Few even manage to recognise that there might be a trade-off between short and long-term returns to human assets. If the unit of human capital, or employee, is permitted an easier time, allowing him or her to go home early sometimes, take longer holidays, go to the art gallery or concert at lunchtime, take time out to go to the gym during the day – how

pleasant it is to fantasise about the possibilities – this might replenish their capacities and make them more productive for longer. But in a ferociously competitive world, it is all too easy for companies to focus on getting more output now.

Of course, one of the results of this pressure is that many highly qualified people prefer to set up on their own. They will have to work just as hard, but they will get all the return to their investment in themselves. The same force is behind the need for high-technology companies to give employees generous equity options. In other words, the economic forces driving companies to make key staff work as hard and as long as possible paradoxically reflect a change in the balance of power in the workplace that favours employees at the expense of employers.

For human capital, as opposed to basic labour, is scarce. It is only custom that leaves the power to exploit it in the hands of companies. That, and the reluctance of many people to take on the risk of competing



DIANE COYLE

**Governments all over the world must extend and improve access to education**

in an uncertain world themselves. But most companies have removed the cushion of protection from the ups and downs of business they once offered employees as part of the compensation package. Those that are all too willing to shed people during downturns have thrown away the financial advantage of mutual loyalty.

There is another consequence of the scarcity of human capital, and its high price. That is the tendency towards greater inequality of incomes. It is a well-known fact that the earnings distribution in the UK is more unequal than at any time since the Industrial Revolution.

The explanation is pretty much the same – and so is the eventual solution. There are relatively few people around with the skills needed in industries that account for a growing part of economic output. A shortage of any sort of capital means the returns are bid up. This is one of the reasons the top end of the income distribution has been stretched upwards. In the

long run, of course, excess returns ought to stimulate more investment. A century ago in the western economies this happened with the spread of universal primary education and the creation of a national system of elementary schools. Over a period of 30 years or more – a full generation – this steadily made the income distribution less unequal by raising the incomes and living standards of the poorest.

This is exactly what needs to happen again now. Governments all over the world must extend and improve access to education. In the West, this means getting more and more young people into tertiary education and significantly raising standards. Although the Labour Government certainly stresses the importance of education, the UK, as with other countries, will have to start spending a lot more money on education.

According to OECD figures, the average member country spends 6 per cent of GDP on education – it is about 4 per cent of GDP in the UK. The rate of investment in physical capital is about 20 per cent on average – 16 per cent in the UK. We ought to be thinking about bringing those two ratios in to line.

In the developing world, it means education is an economic and not just a social priority. As an Oxfam campaign launched this week emphasises, there is a serious danger of the poorest countries in sub-Saharan Africa getting left even further behind because their governments cannot afford to put all the children through school, and perhaps do not even value it. Inequality between countries, as well as between citizens within countries, is driven by unequal access to the possibility of improvements in human capital.

Human well-being ultimately depends on economic growth. Economic development depends on investment. And investment means investment in the machines made of flesh and blood as well as those made of metal and plastic.

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Paul Fraser (left) and Tim Dunningham of Flying Flowers have faith in their future together Tony Andrews

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## FOCUS

# The stamp collector who lost a mint in the flower market

BY JACK O'SULLIVAN

PERHAPS, as a stamp collector, Paul Fraser is accustomed to people cracking jokes about him. But nothing could quite have prepared him for the cruel humour of the stock market. Nor for a shock worse than finding that your mint condition Twopenny Blues are fakes.

Mr Fraser thought he had struck a great deal when he sold his solid, respectable stamp dealership, Stanley Gibbons, for £13.5m last April. But there was a problem, familiar to all stamp collectors. His newly acquired wealth was only on paper. It was held in the shares of Flying Flowers, the Jersey-based group that supplies flowers by post. Flying Flowers had bought Gibbons amid spring talk of blossoming profits.

Sadly, by the summer, such hopes had faded. Sales of lobelias, petunias and begonias through the post were not doing well as the bedding plant market wilted. Flying Flowers shares slumped 45 per cent in a day after a profit warning.

“I was in Washington on holiday,” says Mr Fraser this week as Flying Flowers announced their annual results, showing pre-tax profits well down at £5.1m. “It was 8.12am on July 14 when the phone woke me and I was told about £5m had been wiped off my shareholding. What did I do? I had the cheaper breakfast.”

Suddenly a dream which he had spent nine years building (though he swears he does not collect stamps himself) had been shattered for him at the age of 43.

Shares which had been worth 55p each when Mr Fraser bought them in April were suddenly trading at around 30p. Nor can Mr Fraser’s mood have been much improved by the knowledge that directors of Flying Flowers sold hundreds of thousands of shares at 55p just days after he had bought into the company. And the news got steadily worse. “There was another profits warning in August. My

mand and had already arranged to meet that demand by outsourcing supplies of plants. The growth never happened and they ended up having to destroy quite a few unwanted plants.”

The brokers absolved the management of anything worse than uncharacteristic incompetence. “Tim Dunningham is very straight. And he is usually very good at handling mail order lists. He knows how to experiment with them and use the information well. That is why I was surprised they cocked things up so badly.”

It is an account which the management of Flying Flowers now largely accepts. Tim Dun-



Walter Goldsmith, the chairman of Flying Flowers who took over Stanley Gibbons, is standing down

nningham referred this week to “naïve and undermanagement” of a firm that is now the Channel Island’s largest non-financial company.

Mr Fraser was tactful about poor management that nearly took his shirt: “I think it was a problem in recognising the responses to advertising and in forecasts getting through to management. The controls that needed to be in place were not there.”

Was he bitter about fellow directors who had cashed in many of their shares soon after he had acquired his? “No, it was my choice to get involved in this venture, so I can’t argue about

what happened. I think everyone was plain with me about the company. It has been another rich experience under my belt. Onwards and upwards, I feel very positive about what we are doing at the moment.”

Nevertheless, a shake-up is taking place in the board room. The chairman, Walter Goldsmith, a former director-general of the Institute of Directors, is standing down in favour of Roger Norbury, former chairman of investment banking at NatWest Markets. Mr Goldsmith presided over a long expansion in Flying Flowers. But his record was somewhat blotted latterly by stating, just after the Stanley Gibbons acquisition, that it “would enhance shareholder value”. Not, sadly, for Mr Fraser.

So what is the future now for his investment? The prospects for a big breakthrough in the bedding market do not look great. The Sunday supplements are full of advertisements from the big seed suppliers such as Cuthberts who have diversified their activities. Flying Flowers faces a more competitive market than in the past.

But Mr Fraser is hopeful. “All I can say is that the future looks good. Looking at television, for example, it is very encouraging to see how gardening is so high up on the list of interests.” He may be banking on stamp collectors more than hanging baskets to make him back his millions, a judgement with which analysts would agree.

“We have a terrific brand name in Stanley Gibbons,” he says. “It is the perfect product for the Internet. We have an awful lot of information on our site. After all we have been publishing catalogues for a hundred years, so we could easily become the main site for collectables.”

Like any wise collector used to keeping his wealth in bits of paper, he declines to be drawn on when he will be worth £13.5m again. “I’m taking the long view,” he says with a laugh.

### MY FAVOURITE RESTAURANT

## No pretensions – or GM food

MALCOLM WALKER, chairman and chief executive of Iceland Frozen Foods, says he’ll eat anything as long as it is not fatty meat. But his real preference is for the olive oil, red wine and grilled meat or fish of the Mediterranean diet.

So it is the River Café, with its Italian-inspired cuisine, which sums up everything he likes in a restaurant. “It’s totally unpretentious and the food is just stunning,” he says. “They use the finest and often the most expensive basic in-

gredients. I hate starched table covers, formal service and rich French food,” adds the 53-year-old who founded Iceland, now more than 700-outlets strong, in 1970. Walker first visited Rose Gray and Ruth Rogers’ fashionable Thames-side restaurant two years ago and eats there on regular trips to London from his Deeside head office.

Its simple mozzarella and tomato salad is the epitome of why, for him, its food is divine. “It’s a little thing, but moz-

arella can sometimes taste like rubber,” he says. “If you have it at the River Café the mozzarella is like nothing you’ve ever tasted. It sparkles like sherbet on your tongue.”

“They use top-quality ingredients and are not afraid to say that, in some cases, dinner tomatoes are better than fresh ones – much better than tasteless Dutch ones, anyway. Not being pretentious about food is very important to me.”

In any case, the man who

**Big idea**

**TOUT**

ANDREW GUMBLE

blood

UK The rate of investment in physical capital is about 20 per cent, an average - 16 per cent in the UK. We ought to be thinking about bringing those two ratios in line.

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BY ANDREW GUMBEL

**F**OUR YEARS ago, when the Internet was in its infancy and online companies were still in their equivalent of the late Cretaceous age, a venture capitalist called Mike Moritz paid a visit to two young graduate students at Stanford University's engineering school.

Jerry Yang and David Filo had just about abandoned their PhDs to pursue an all-consuming hobby, organising and categorising pages on the burgeoning World Wide Web. They were not making any money out of it, but they did seem uncommonly adept at what they were doing and it did not seem too fanciful to help lift them and their little enterprise, already called Yahoo!, to a commercial footing.

Moritz, a partner in the Silicon Valley venture fund Sequoia Capital, has never forgotten what he saw when he opened the door to the trailer on the Stanford campus where the two of them worked. The blinds were completely drawn, even in broad daylight. The generators for their computers were whirring and creating uncomfortable waves of heat. The answer machine bleeped almost incessantly. Strewn all around were golf clubs, dirty clothes and empty take-away pizza cartons. As Moritz later recalled: "It was every mother's idea of the bedroom that she wishes her sons never had."

But, in its own way, that trailer was also a peculiar reflection of Yahoo!'s abiding mission as it then was and remains to this day: a tool with which to create order out of the chaos of the Internet; a way of cutting through the cyberspatial fast-food and soiled laundry, if you will, to make it work for the consumer; and, above all, a temple of hard work, sheer enthusiasm and a near-monastic devotion to the cause.

The participation of Moritz and Sequoia Capital was only the beginning. What started out as a highly successful, cleanly designed search engine for web pages has evolved into something more complex and more central to the future development of online computer technology. Yahoo! is no longer content to transport users to the Web; it wants to be the Web, or at least so essential a part of it that most users will have no need to search further for their Internet needs.

Already, Yahoo! provides a comprehensive news service, a full financial information package on any company, including a monitor of its share price, access to 3,500 online retailers, e-mail services, Internet access and any number of smaller, more special interests from auctions to gambling. Thanks to a customised Internet home-page builder, it is now possible to make Yahoo! the first and, for many purposes, the only stop on the World Wide Web - acting as browser, search engine and service provider all in one.

There is nothing remarkable about wanting to achieve this kind of synergy. After all, this so-called bundling of various services is precisely what the US Justice Department's anti-trust suit against Microsoft is about. But, in contrast to Microsoft, Yahoo! has achieved dominance in its field without arousing the suspicions of government regulators - for the simple reason



Dave Filo (left) and Jerry Yang, the founders of Yahoo!, blazed a trail of success via the World Wide Web to create order out of the chaos of the Internet

Ed Kashi

## The cyberpunks

that it provides its services entirely free of charge to the end-consumer.

And it has done so in a number of ways that are indeed remarkable. First, it has built up the largest audience on the Internet, lagging just behind its somewhat differently focused rival, America On Line. Secondly, it has - in contrast to other, smaller search engines being snapped up by large communications conglomerates - remained fantastically independent and true to its origins as a hand-crafted, clear guide to the morass of information out there in cyberspace.

And thirdly, it has managed to turn a consistent profit. Unlike online retail specialists such as Amazon.com, which have never shown black ink on their balance sheets and arguably never could, Yahoo! has, from the first days of its commercialisation in August 1995, managed to support its operations handsomely from advertising revenue.

Last year, it showed a net profit of \$25.6m (£16m) on revenue of \$203.3m (£127m) - admittedly, no more than a drop in the ocean set against the company's market capitalisation, which has shot up from around \$10bn (£5.3bn) four months ago to more than \$35bn (£21.9bn) now - but still a rare sign of bedrock business savvy in an industry that has looked, more than once in recent times, dangerously like a hi-tech ver-

sion of the South Sea Bubble. Yahoo!'s success is due to a combination of factors. It rests perhaps most fundamentally on Yang and Filo's original concept of web page design and web categorisation based on intelligent sifting by human researchers rather than a simple machine-generated word-search. Yahoo!'s system of categorisation and sub-categorisation has been much copied, but no other company in its field still maintains a large staff. In Yahoo!'s case, just six of 700 that struggled to keep up with the ever-growing avalanche of new pages on the Net.

Yahoo! was also quick to understand the importance of providing raw information rather than fancy gimmicks or pretty graphics. People could find what they want without having to wait several minutes for fancy graphics, colour backgrounds or elaborate banners to download on their screens. The sec-

ond key factor is the company's business backbone. Several months before opening as a business three-and-a-half years ago, Yahoo! made sure it had a first-rate financial team in place, and Yang and Filo found what they were looking for in Tim Koog, another Stanford engineering graduate with business experience at Motorola and at InterMec, the Seattle-based company that invented bar codes. Like the "chief Yahoos", Yang and Filo still call themselves on their business cards, Koog was blessed with a kind of primal curiosity and enthusiasm: he had put himself through college repairing the broken-down car engines of his richer fellow students.

Koog, in turn, hired another bright young executive, a former member of the Canadian soccer team called Jeff Mallett who had solid experience in marketing software and telecommunications. Be-

tween them, they kicked Yahoo! into shape, first with the launch of the commercial service, then with various capitalisations leading up to the initial public offering in 1996, and beyond into the complex world of

acquiring smaller companies to acquire and resisting takeover offers from much larger ones.

The key strategy that Koog, Yahoo!'s chief executive officer, and Mallett, chief operating officer and now president, developed was to maximise Yahoo!'s free public access while waiting carefully for the right moment to introduce any kind of charges. When Yahoo! first introduced adverts in 1995, for example, some of its most faithful users complained about the company "selling out". But by that stage advertising was already common enough, and Yahoo! popular enough, that the risk of alienating users was long passed. The company faces a similar dilemma now, with the publicity

benefits of, say, free e-mail services, needing to be weighed against

making such services profitable.

Some of Yahoo!'s more specialised services will probably be subject to charges soon, but it is a matter of extreme delicacy to determine when.

"If we can do a free service, that is our goal," Mallett said recently. For

the moment there are still considerable mutual advantages to be reaped from big companies farming out their services on Yahoo! in exchange for the publicity and audience reach that both parties can enjoy. One recent example is Rupert Murdoch's News Corporation, which

will be joining nine of its entertainment and news outlets to Yahoo! - not as a pre-emptive bid to buy the company, but merely as an exercise in joint promotion.

Back in early 1996, News Corporation had announced its intention to "bury" Yahoo! with the combined might of its own media resources, the Fox cinema and television networks and its own web service, the i-Guide. Murdoch's people had announced that the offensive would

slay Yahoo! in 60 days flat, much as Time Warner subsequently threatened with their own product, Pathfinder. The fact that News Corp

has now come to Yahoo! in search of an alliance plays eloquent testimony to the company's hardness.

The big conglomerates have been

unable to pose a serious threat to

Yahoo! because they jumped on the Internet bandwagon and, despite all their extraordinary capital resources, simply cannot hope to attract the same sort of following - in Yahoo!'s case, around half of all users of the Internet. The only serious competition, for the moment, remains AOL, particularly now that it has bought Netscape and has ambitions to set up a one-stop Internet service of its own. AOL traditionally tailors its services more to home computer users.

Yahoo! itself is in the acquisitions market, having recently snapped up GeoCities, a popular service for setting up personal home pages, and taken a stake in broadcast.com, which puts video and television footage on the web. The purpose of such acquisitions is to marry technology developed outside the company with Yahoo!'s uniquely flexible presentation and vast market - marriages that Koog and Mallett have so far managed with great smoothness.

The secret of their success, Yahoo! says, is to have kept their feet firmly on the ground while negotiating the rapids of business on Internet time - the never-ending work cycle in which it is said that he who takes lunch ends up being lunch. Already, at this early stage in the industry, it seems that whatever the computer revolution brings, it's a fair bet that Yahoo! will be part of it.

THE PLAYER: ADAM CROZIER, JOINT CHIEF EXECUTIVE, SAATCHI & SAATCHI

## Big ideas are the simplest way to breed success

**PERSONAL DETAILS:** Aged 35. Lives in Teddington, Middlesex. Drives Toyota 4Runner. Pay undisclosed. Passionate about football. A knee injury at 16 scuppered his plans to be a professional footballer. He supports Celtic and is communications adviser to the World Cup 2006 campaign in the bid to make England the host country. His enthusiasm for golf has found an outlet in his work as a consultant for the English Golf Union.

**CHALLENGE:** "To create extraordinary ideas that can in some way transform our clients' reputation or brands," Mr Crozier says. "In doing that we can really drive our own busi-

ness forward." As joint chief executive he sees his role as providing the right forum for creativity as well as running the company successfully as a business. In the past, marrying these two objectives has been a problem for Saatchi & Saatchi.

**CORPORATE BACKGROUND:** When the Saatchi brothers and other senior members of the management team left the agency in 1995, Mr Crozier became joint chief executive at the age of 30, with Tamara Ingram. He joined Saatchi & Saatchi 10 years ago and rose to be vice-chairman when he was 29. He says he never thought of leaving the company during the turbulent

period that eventually led to the departure of Maurice and Charles Saatchi. "This is an amazing place with a lot of very loyal people. I can't imagine why anyone would want to work for any other agency."

Before Saatchi & Saatchi, he spent two years at The Daily Telegraph as marketing manager and group head of sales. After graduating from Heriot-Watt University in Edinburgh at the age of 20, he joined Mars as a management trainee.

**STRATEGY:** Given the highly competitive nature of the advertising market, Mr Crozier says that "simplicity and clarity" are very important in getting the client's message

across to potential consumers. In an overcrowded market that is results-driven, he is keen on "big ideas that are hugely simple", which can also be used in campaigns across a variety of media. Adverts are viewed as just a small part of how companies communicate.

Saatchi & Saatchi views itself as

a communications company, not

an advertising agency. According

to Mr Crozier, some of its great

campaigns include work for its two

largest clients, Procter & Gamble

and Toyota, as well as the British

Army, coca-cola and Carlsberg.

The strategy is obviously working.

At the time of the split, Saatchi & Saatchi slipped to number six. But in just

four years it has risen to be the UK's second biggest agency, behind Abbott Mead Vickers. "The success in the last couple of years is phenomenal," says Mr Crozier. Profit before tax and exceptional items rose by 31 per cent to £20.7m in 1998. Ongoing revenue rose by 6 per cent to £253m.

**MANAGEMENT STYLE:** Mr Crozier believes organisations need to

change constantly and a good manager understands how to manage this process.

A youthful, impudentious character, he describes himself as

"very inclusive, very demanding and calm under pressure" and he adds:

"I believe my job is to coach the best out of people." He tries to encourage

people that making mistakes is OK, "as long as the same mistake is not made twice", he says. "Everything in the company is geared to getting great ideas out for clients."

**MOST ADMIRERS IN BUSINESS:** Sir Brian Pitman, chairman of Lloyds TSB Group, who "runs a fantastic company". Mr Crozier is also a fan of Archie Norman, chairman of Asda. "What he looks Asda through was superb," he says.

**CITY VERDICT:** West LB Pan-

ture's media analysts recommend buying the shares, which they forecast could rise to 240p on

fundamentals alone.

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MARKET LEADERS PICK THEIR MARKET LEADER

## THE CANARY

**Goldman takes over the world, continued:** Not a lot of people know this but Romano Prodi, the former Italian premier likely to be named president of the new, cleaned-up European Commission, is also the former Goldman Sachs country adviser for Italy. But if there should be some hitch with Prodi, there is always a reserve Goldman candidate, Peter Sutherland, the Irish lawyer and former GATT chief, currently chairman of the bank's operations in London. Talk of a future world economic government is fanciful; Goldman is already implementing it. Former Goldman managing partner Robert Rubin is in place as US treasury secretary and London partner Gavyn Davies remains a candidate for governor of the Bank of England.

**Hold the vinegar:** The Queen's Award for Exports, please, to Naomi Campbell (below), the model who has now turned venture capitalist, financing a counter-invasion of British fast food in the land of burgers. Miss Campbell is the main backer of an authentic British fish and chip shop planned for Greenwich Village, New York. The eatery is to be called A Salt and Battery and will be the cornerstone of Miss Campbell's plan for a Little England to rival Chinatown and Little Italy. Officials have given permission for a red telephone box on the sidewalk outside the establishment.

**City lunches are not what they used to be:** At the Financial Services Authority, newly ensconced at Canary Wharf, the conversation is better than the food. Visitors were recently treated to sandwiches that were, one said, "disgusting". An austere regulatory regime is all very well but FSA boss Howard Davies doesn't need to poison the regulated to get their attention. Perhaps he should call Miss Campbell for catering advice.

**Knocked out:** At Merrill Lynch, nobody's reputation is currently higher than that of Stephen Bellotti, 38, the Australian head of European debt operations. He is also, if the sometimes misleading Merrill gossip mill is to be believed, a handy man in a scrape. Increasingly embellished accounts have it that Bellotti was the victor of a trading floor altercation with Nabeel Nabulsi, head of European fixed income sales. It is said this left Bellotti with a black eye and Nabulsi without a job. Merrill denies everything: Bellotti got his shiner playing tennis, the firm says, and Nabulsi has left, "of his own volition". Whatever the truth, Bellotti is plainly not a man to cross.

The Canary is the world's first on-line bird:  
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# Who's the most switched-on television executive?

David Elstein

Chief Executive, Channel 5

RICHARD EYRE and David Liddiment, as Chief Executive and Director of Programmes, have performed outstandingly for ITV in the last six months. They steered through the controversial shift of *News at Ten*, and fired a tremendous salvo of ratings-grabbers to mark the change.

Dawn Airey, enjoying far more meagre resources as Director of Programmes at Channel 5 has repeatedly taken her weekly viewing share above 5%. This achievement is all the more impressive in that her channel enjoys good picture quality in only 60% of UK homes.

Mark Booth continues to defy gravity at BSkyB. Sam Chisolm's successor as Chief Executive was always going to face a tough challenge, but the digital launch has exceeded expectations, and Sky's sports coverage goes from strength to strength.

Graham Creelman

Managing Director, Anglia Television JOHN BIRT, now perhaps regarded with disfavour and as a problem for the BBC, has my admiration for his truly radical and reforming term as Director General.

Speaking as a former BBC programme-maker, I am hugely fond of the organisation that trained me and set me on the right road in broadcasting. But the pre-Birtian BBC was complacent, inward-looking and didn't think that it needed to be accountable to anyone.

Birt has challenged all the BBC assumptions. He has, with single-minded determination, transformed an introverted and elitist organisation into one that is recognisably a modern broadcasting and production outfit. But the BBC's desire for reform has submerged its own voice. If he can encourage the BBC to find that distinctive voice again, then his contribution will be that much the greater.

Malcolm Wall

Deputy Director of United Broadcasting and Entertainment

IN 9 DAYS, Roger Langton is retiring as Chief Executive of United and I am taking over. Working out speeches has really brought to mind why Roger Langton was such a first-class TV executive. I have worked with him since 1992, and in that time we've built up a revenue of £600 million from nothing.

But the particularly admirable quality he possesses is integrity. I wouldn't necessarily call him an in-your-face get-up-and-goer, but he is thoughtful and extremely bright.

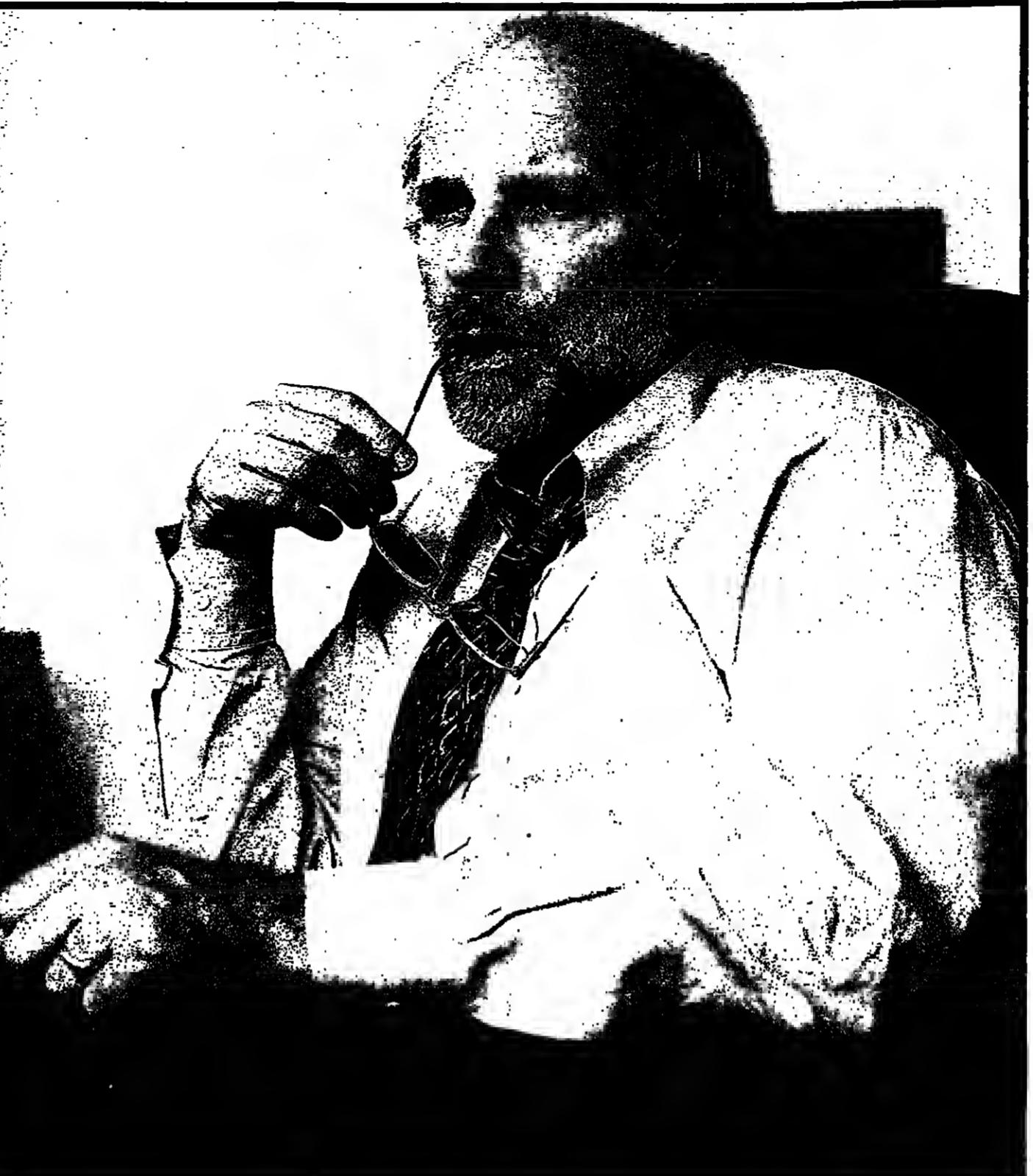
Equally impressive is the way in which he has managed to win the respect of the viewer. No technology will work without people to watch and pay for it - Roger has always maintained this.

I've also got a very high regard for Greg Dyke at Pearson Television. I worked with him when I was more junior and what really struck me was that he would listen to his subordinates. He might have disagreed but he still listened.

Clive Jones

Chief Executive, Carlton Television

DAVID LIDDIMENT of ITV is a very impressive character. He has done a brilliant job at redesigning the ITV schedule, particularly where the



Greg Dyke: 'He would listen to his subordinates. He might have disagreed but he still listened'

Kalpesh Lathigra

Christopher Stoddart

Managing Director, GMTV

THE RECIPE for success in television is a combination of business acumen and programming imagination and innovation. I have to say that I thought Michael Grade was a fantastic executive even though he is somewhat to one side of the business now. He was original and he was a leader. He knew the market and developed Channel 4 according to that market.

Then I should go on to mention those business leaders who are somewhat part of the establishment: there is Michael Green of Carlton, Charles Allan of Granada and Steve Morrison of Granada. These are people who have managed to create difficult programmes for popular audiences and in my opinion that is a mighty achievement.

Finally, I'd like to mention David

other such grand personage, but I really would like to plump for my own chief executive, Huw Jones. I pick him because he comes from a small, independent company but has immense scope.

He will develop a strategy and building blocks so that independent companies aren't necessarily left in a niche position, but can expand and develop. Although we are a relatively small broadcaster, Huw's expertise has meant that we have managed some degree of global success and have even developed the commercial arm of the company to such an extent that we are a major player in Britain.

Huw has foresight, tenacity and drive. It's one thing to have ideas and it's another to make them concrete. It's important to have a passion for getting things done and for following up completed ideas with new ideas.

Liddiment who is working absolute wonders at TV Centre. You need a certain amount of courage to put things on in an innovative way, as our industry is so heavily regulated, and you need to be able to show consistency.

Mary McAnalley

Managing Director, Meridian Broadcasting Ltd

I'D LIKE to nominate Roger Langton, who left the cloistered world of the BBC to set up Meridian Broadcasting in the choppy waters of the post-1990 Broadcasting Act, and helped Clive Hollick to grow the United News and Media business in double-quick time. Roger is a strong commercial player whilst still backing quality programming. He's the director general the BBC never had.

Also Marjorie Scardino of Pearson for being the first woman to run a FTSE 100 company, and for managing the while to retain the good services of Mr Greg Dyke. And finally Charles Allen of Granada for giving the best business masterclass I have attended, showing a strong grasp of both the catering and media businesses, and impressing mightily by saying that he only has four chief executives reporting to him and has cut down the paper chasing across his desk to a monthly reporting pack.

Steve Morrison

Chief executive, Granada Media Group

THESE DAYS to be a great television executive, you really need to be able to inspire creativity in your programme-makers while also having a mastery of the business world.

The balance has changed over the years. In my lifetime, the impressive people were Sidney Bernstein, Denis Forman and David Pflueger of Granada and Jeremy Isaacs, who was the first Chief Executive of Channel 4. But those where the days when commerce was simpler and executives stood out. These days you need a mosaic of talents: you need to be able to champion your creative talent; you need to be able to lead a good integrated team, be decisive and entrepreneurial.

I could mention David Elstein of Channel 5 who is an impressive man in television but who is very strong on the intellectual side. Then there is Greg Dyke of Pearson, who is quick-witted and enterprising. But these days it is difficult to find perfect marriage of creative ability and commercial acumen.

Alan Yentob

Director, BBC TV

ON THE more creative side, I am very impressed with Tony Garbett who set up the company World Productions. He is the creator of such landmarks in television as *Cathy Come Home*, *This Life* and *Between the Lines*. He is bold and innovative and has been a necessary part of television drama.

On the business side, I think the BBC under Birt has come a long way, dealing effectively with the changes television has undergone in the past 10 years. But also, to progress in this business, you've got to be innovative and brave and I think the independent companies have shown plenty of evidence of this.

## BOOK OF THE WEEK

## Nuggets from the new frontier

**Silicon Gold Rush**  
by Karen Southwick  
(John Wiley, £16.50)

THE HI-TECH companies of Silicon Valley, California, exert a hold on the public imagination like no others in world business.

This is made all the more remarkable by the fact that, while such names as 3Com, PeopleSoft and Cisco Systems are highly familiar, few people have much real idea of what it is that these companies do.

It is a heady world in which - as Karen Southwick, an experienced technology journalist, recounts - businesses can appear and disappear in double-quick time. In fact, speed is the over-riding theme of a book that sets out not just to describe what has been going on in this remarkable area near San Francisco but to demonstrate how events there are transforming the way all companies do things.

Southwick, whose book is subtitled "The Next Genera-

tion of High-Tech Stars Rewrites the Rules of Business", writes: "Everywhere you look today, older companies and those in traditional industries are adopting the organisational structures, business strategies, and operational methods of the Silicon Valley gang."

That is certainly the received wisdom. But, while just about every industry is being subjected to a quickening pace of change, few outside information technology are required to constantly transform themselves in the way that is commonplace in the area around Palo Alto and the other technology hotspots in Seattle, Austin, Texas and Boston that collectively form the state of mind known as Silicon Valley.

The technology industry, like any frontier, has attracted a new type of executive and a new type of employee - indeed, the two are almost indistinguishable," writes Southwick. "The key attribute of the

**Silicon GOLD Rush**

THE NEXT GENERATION OF HIGH-TECH STARS REWRITES THE RULES OF BUSINESS

Karen Southwick

book, 100 per cent of technology executives, 85 per cent of managers and 42 per cent of other employees participated in stock option plans in 1997.

Accordingly, organisations in an industry where the staff turnover rate can be phenomenally high are having to find fresh means to motivate staff. Jim Moore, an industry observer, says that paying employees well and treating them with respect are necessary but not sufficient. "You have to make them feel like they're making history."

Among all the factors for success - 10 commandments for next-generation businesses - perhaps the most fascinating is "develop mind share". Defined as "a calculated campaign to influence the influencers", this is an approach that some might describe as hype since it involves complementing the company's product innovation.

"Proclaim yourself the

market leader by leading a paradigm shift, establishing a standard, or positioning yourself as an industry authority," says Southwick.

Many of the developments in organisational structures and people management described in this fascinating book will be replicated in other industries. But it says a lot about the hi-tech arena that such a concept is given such importance, and hedges the question whether this heady pace is sustainable.

Geoffrey Moore, another computer industry consultant, proclaims himself in the book's foreword "nervous" about the "breathlessness of Silicon Valley". Yes, he says, there are lessons for other industries from this amazing area. But that does not mean that other areas should follow them slavishly. Each of the other economics' needs to find its own expression of the insights accumulated here", he says. The British Government, take note.

ROGER TRAPP

Ruth Lea, 51, read economics and statistics at York and Bristol before joining the Civil Service. In 1988, she became senior economist, then chief economist, at Mitsubishi Bank. She left to join Lehman Brothers, then spent a year at ITN's economics editor. She was appointed head of policy unit at the Institute of Directors in 1995.

"I THINK my greatest mistake was to stay so long in the Civil Service. I had ambitions to be a high-flyer and I wanted to be at least an under-secretary, if not higher. But at the age of 40, I hadn't got further than grade seven.

I went before the promotions board and I didn't get through it. I was absolutely stunned. I don't think I fitted, and I don't think they saw me as someone who should have a senior position. I thought, "Your high-flying career, my dear, has lost its wings."

There were two choices: leave and take a huge mid-

## MY BIGGEST MISTAKE

## The wings came off



Ruth Lea: Two choices

worked hard for them and they rewarded me. It was a huge step to take, but it struck me as a very good idea, and I have never regretted it.

If you feel you are undervalued, there's only one person who can really do anything about it - and that's you. You need huge application, huge confidence, faith in yourself and determination not to take no for an answer. You have to be dedicated.

At Mitsubishi, I started to do media, which was a great opportunity. I found that my teaching experience meant I could just sit in front of a camera and talk. But on programmes like Question Time, I can't tell you how nerve-racking it is: anything can come up. You have to have an instant response.

My period in the Civil Service did put some things in perspective. You know people are better and cleverer than you. That makes you, I trust, not overweeningly arrogant.

NO PAIN, NO GAIN

Go for the

STOCK market may be in a lull, but the opportunities for investment are still there. With interest rates at record lows, it's a good time to invest in equities. There are many ways to do this, from buying individual stocks to investing in mutual funds or exchange-traded funds. The key is to diversify your portfolio and to keep it balanced. It's also important to stay invested for the long term, as short-term gains and losses can be misleading. Finally, remember that risk and reward are closely linked. The higher the risk, the higher the potential return. So, if you're willing to take on more risk, you can potentially achieve greater returns. But always remember to invest within your risk tolerance and to seek professional advice if you're unsure about anything.

Chris Morris

# Thriving on Ross Goobey's kind of wisdom

**THE DEATH** of George Ross Goobey, the man who introduced the "cult of the equity" to the UK's professional investment scene, is a timely moment to stop and take some badly needed perspective on the current state of the markets.

As most of the obituaries have rightly noted, in a long and distinguished career as the in-house manager of the Imperial Tobacco pension fund, Mr Ross Goobey did more than any other single individual to persuade pension fund trustees in this country that it was both prudent and rational to commit most of their assets to the stock market.

Before his arrival on the scene, most pension funds had most of their assets invested in Government and corporate bonds. Bonds were, as recorded in the pages of the Forsyte Saga and other chronicles of the lives of the affluent, the "safe as houses" medium of choice when it came to investment. What, after all, could be safer than putting

your money with the Government, the safest credit in the land? The idea that the average pension fund might have 75-80 per cent of its assets invested in the stock market would have been regarded at the time as the height of folly. Yet that is the situation today.

What conventional wisdom of the day failed to see – but which Mr Ross Goobey most certainly did – was three things. One was that equities are ideally suited to the kind of long-term investment that pension funds are forced to engage in. Because dividends grow faster than inflation over time, equities provide pension funds with a well-fitting match for their long term abilities, which are to pay pensions linked to the rate of increase in wages and prices.

Secondly, Mr Ross Goobey was smart enough to see that gilts and other bonds, however safe they might seem to be on the surface, were in practice anything but. His original ire was centred on the in-

famous 2.5 per cent Consols issued by Hugh Dalton, the first Chancellor of the post-war Labour Government.

At a time when inflation was at 4 per cent, there was no way in theory or practice, he pointed out, that Consols could provide pension funds with the 5 per cent a year returns that they had blithely offered their employees and pensioners. Yet for years many pension funds continued to load up with gilts, oblivious to the real risks that they were running (even if, to be fair, none of them could have foreseen quite how bad the inflationary excesses of the Sixties and Seventies were going to be).

Thirdly, given these first two insights, it was not difficult for Mr Ross Goobey to spot another feature of the investment markets in the immediate post-war period. Precisely because conventional wisdom held that gilts were a safer choice than equities, shares and gilts were always priced in such a

way that the yields on shares exceeded that of gilts.

It was only when the rest of the world eventually concluded that this was the wrong way round did the anomaly disappear. By being the first into the field, Mr Ross Goobey was able to benefit not just from the superior returns provided by equities over the long term, but he also gained from the once-in-a-lifetime revaluation of shares as the "cult of the equity" became a reality in the mid-Fifties.

This is the origin of the so-called "reverse yield" gap, the notion that shares should – as they do now – always yield less than gilts, rather than the other way round, which is how it had been for 100 years or so before Mr Ross Goobey arrived on the scene. Since the Fifties, the yield on gilts has consistently and without exception exceeded that on shares. It still does so today – although with inflation falling, the margin between the two has fallen to its lowest level

in many years. The interesting thing about Mr Ross Goobey, however, is not just that he was the first professional investment manager to expose the internal contradictions of the prevailing actuarial assumptions which underpinned the valuation of the market at the time. What made him an outstanding investor was his refusal to let conventional wisdom (including his own) blind him to changes in the prevailing climate.

His conclusion then was that there was little to choose between gilts and equities at their then levels, but that in his view property shares offered a better long-term investment than either.

What Ross Goobey's career ultimately demonstrated was the essential paradox of all investment – which is that conventional wisdom can never by definition deliver more than average performance. To do exceptionally well, you have to embrace an insight that may well appear crack-eyed to most sensible people at the time.

JONATHAN  
DAVIS

What his career  
ultimately  
demonstrated  
was the essential  
paradox of  
all investment

## Should you invest in... the financial sector?

BY KEIRON ROOT

THERE IS little doubt that the financial services business is likely to show considerable growth over the next decade. But the question of which companies are best placed to take advantage of this process is less clear-cut. The "other financials" sector is one of the "mixed-bag" market groupings, where the niche of an individual company is more important than the fact that it shares a financial business with its peers.

Broadly speaking, there are four types of company within the sector – stockbrokers, companies offering other forms of financial advice or service, trade finance houses (often with considerable overseas exposure) and fund management companies. It is the latter group that has been attracting the most attention recently.

"The really positive news within the last couple of weeks has been Prudential's offer for M&G Group," said Richard Peirson, manager of Franklin's specialist Financial Fund. "It was not just M&G that rose on that. Perpetual, Schroders and several other fund management companies bounced back very sharply."

Mr Peirson warns, however, that this particular rally may only be short-lived. "Some of this has been overdone," he says. "Prudential paid a premium price for a trophy brand name with M&G. Even though it has been underperforming for some time, M&G is still one of the best-known names in retail fund management."

This opens the question of whether the Pru/M&G link-up users in an era of corporate activity that may see more

takeovers. "The M&G bid could be an indication that the Pru feels that returns from life and general insurance are not as attractive as those from fund management," said Jeremy Batstone, of NatWest Stockbrokers. "The Pru's own figures assume that the unit trust business is going to increase three-fold over the next few years, which will leave some of these fund management companies in very promising positions."

Gavin Oldham, of the retail brokers The Share Centre, said: "The arrival of ISAs is going to have a big impact and the fund management companies are going to be the major beneficiaries in the retail market, as the Government has applied CAT standards only to collective investments."

Mr Batstone sees potential for further consolidation. "One effect of the deal is that other fund management companies are now wondering whether they will be involved in the consolidation process."

"Perpetual is an obvious one that stands out, as is Schroders, which is often talked about as a takeover target. It is one of the last remaining independent merchant banks with the controlling family still owning 47 per cent of the shares."

Similar factors affect other types of company within the sector, although the position is not as clear among the stockbrokers. "I'm not sure you can be over-specific about the effects of consolidation here, as it is so much a 'people business,'" Mr Oldham said. "Mid-range private client business is coming to the fore, so there is

a lot of longevity. There is quite a lot of hot air about the inevitability of mergers."

This suggests a promising future for acquisitive brokers such as Brewin Dolphin, Rathbone Brothers and Gerrard (which owns Greig Middleton), provided they can offer the right type of private client service. Mr Oldham said: "There is enormous potential growth in this particular market, both in terms of customer demand and their ability to access services, through such areas as the Internet. If you look at some of the ratings of retail brokers in the States, you see evidence of this – there was a period recently when Schwab became worth more than Merrill Lynch."

Beyond these growth stories, the waters become darker: "It is not a particularly homogeneous sector," said Mr Peirson, "so it is not easy to give a broad view of major trends. One general point you can make is that this group has tended to underperform both the overall financials index and the main market over the past three or four months, ever since the sharp drop in market confidence last October."

In other words, whilst the big banks and insurers have already bounced back quite strongly, the smaller, more diverse companies in this sector have taken longer to respond. But respond they undoubtedly have. "The sector was the second best performer in the market during February," Mr Batstone said, "rising 14.1 per cent." This compares with a 12-month rise to the same date of just over 15 per cent.

This sluggishness is put down to the fact that the group



Prudential boss Sir Peter Davies's offer for the M&G Group has boosted the sector *The Advertising Archive*

at present contains no FTSE constituents, Mr Peirson said: "Most of the companies in this sector have been mid-cap or small-cap and have, therefore, been underperforming."

Mr Oldham said this phenomenon has been repeated across the whole stock market. "Smaller cap companies have found that their market makers have largely disappeared as a result of the introduction of order book trading for the FTSE 100 companies. A lot of houses have discovered they don't need a market-making function to trade large caps, so have dispensed with it altogether and a lot of liquidity has dried up from the mid and small-cap market as a result."

Mr Batstone says this situation could get worse. "M&G is currently the largest stock in the sector and when it goes, the sector is going to become even less attractive to those institutions who don't bother with companies when they fall off the screen."

NO PAIN, NO GAIN: OUR MAN'S PORTFOLIO

## Go for the sound high yielders



DEREK  
PAIN

THE STOCK market has yet to fully appreciate the country has entered an age of low interest rates. With money rates at their lowest for more than 30 years, and further reductions expected in the next few months, it is surprising to find that around the market so many well known and substantial companies with high-yielding shares.

Normally a high return signals at least the likelihood of a cut dividend, perhaps no payment at all or even acute danger. Indeed the higher the yield the greater the risk.

The latest FTSE shake-up underlines the way the market has lost sight of simple attributes such as profits and dividends. The groups bundled out of the blue chip index this week are making handsome, although not spectacular, profits headway and, in the main, increasing dividend payments.

Gallaher, the cigarette group, is one of the ex-FTSE trio. Its shares offer a yield of more than 7 per cent. In part this is due to the realisation over recent weeks that the

against £340.2m. But the dividends should at least be held, providing a 7 per cent-plus yield. To add to the investment appeal, Safeway has aroused predatory instincts. Asda would have liked to agree a merger, but Westminster's attitude was the stumbling block. And Wal-Mart, the huge US retailer which has been linked with a host of chains in this country and Europe, could settle for Safeway's undoubted charms.

Tomkins, the out-of-favour buns-to-guns conglomerate, also yields more than 7 per cent. The group has cash to burn, hence its current tender offer to mop up £400m.

I am not suggesting any of the three relegated shares are about to go storming ahead. Trading prospects are not sufficiently exciting. It would need a take over bid to light any fire. But any investors who regard a good return as an important part of their portfolio policy should think in terms of the sounder high yielders.

Most of the high yielders are outside FTSE. But FTSE constituent, National Power, offers

almost 7 per cent. However its apparent generosity may not be all it seems. There is, in some quarters, a queasy feeling it may in a few years find it necessary to cut its payment. However BT Alex Brown disagrees. The investment house sees the privatised generator achieving a progressive dividend policy.

In the lower reaches of the market, yields can achieve Ruritanian levels. Even double figure returns lurk. However they are likely to be something of an illusion. A dividend cut is normally to be expected with such an offering.

Little Leeds Group, a textile business, has been offering a fancy return for a long while. Its rating shouted that a dividend cut was inevitable. In the event, it held its payment although profits fell by around a third.

If Leeds, admittedly operating in one of the toughest industries, can hang on again – and there are those who think it will – then it will make the ultra-safe returns offered by special savings accounts like those of, say, the Halifax, look like dead moths.

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كذا من الأصل

# Evolution of the electronic trader

BY ROBIN AMLOT

THE OLD image of the stockbroker was of a chap - remember women did not exist in the City then - who arrived at the office with his bowler and briefcase in time for his mid-morning tea, had a longish lunch with a client, which the client paid for one way or another, and then went back home in time for afternoon tea. The Eighties put paid to all that, and gave us loud-mouthed yuppies with even louder braces.

Now, a mixture of social and technological developments are likely to put the yuppie stockbroker on the endangered species list. The social developments are there for all to see. We are being increasingly exhorted to fend for ourselves financially, even by New Labour.

The state has more or less reached the limit of what it can do to provide for us all, which means more responsibility is being thrust on the individual. That means we have to look after our own pension provision, our own long-term care and our own financial security. The mesh in the safety net now has larger holes.

Add to that social imperative the technological developments of the cheap personal computer and the Internet - not only has greater financial responsibility been thrust on us all, but also we actually have the power to do something about it.

Internet penetration and the use of computers in the UK is following the path already trodden in the US. In percentage terms of market penetration we are now where the USA was two years ago and more of us have regular access to the Internet than any other two European countries put together.

You should already know that the Internet can be an incredibly powerful information resource. It is the ability to access this information, take advantage of the knowledge it confers, and make your own investment decisions, which will lead to the demise of many of the broad-braced brethren of the City.

Stockbrokers offer three types of service: execution-only, advisory and portfolio management. Unless you are



With the power of the Internet, you can cut out the middle-man and buy and sell your own shares via the worldwide web

Rex Features

sitting on a sum of money in the high six-figure region, the costs of having your portfolio professionally managed are unlikely to be worthwhile. Most of us must make the decision between execution-only and advisory services and, until the past couple of years, we had the choice of dealing over the telephone or by post.

However, in the past two years, the growth in Internet usage has seen an increasing number of stockbrokers setting

up websites to attract clientele in cyberspace. Of the firms with presence on the Internet, a handful of UK brokers offer dealing services. They are not going to be in the minority for very long. The first online dealing services were little more than an alternate way of contacting your stockbroker. If you were going to buy or sell shares, instead of calling on the telephone, you sent what amounted to little more than a glorified e-mail.

On receipt of your message a stockbroker would read it and then make the trade for you. E-mail is obviously faster than the Royal Mail, but such services offer few attractions over existing telephone-based dealing operations.

What has changed in the past few months is that you can now execute your own trades. Instead of sending an e-mail to a stockbroker requesting the sale or purchase of shares, you are making the actual trade

yourself. Through a link ultimately to the Stock Exchange's own computers you deal immediately at the price you see on your screen. The first such fully automated web-based trade in the UK market took place at 9.11am on Monday, 14 December, via the brokerage Charles Schwab Europe.

Let's take another look at developments in the US. Three years ago, Charles Schwab launched its online trading venture. It is now the biggest in the

USA with 2.24 million online accounts and \$174bn (£110bn) under management via the Internet. In January, Schwab clients executed an average of 153,000 electronic trades every working day.

Schwab is not alone. There are now 112 online brokerage firms in the USA, offering individuals the ability to trade in stocks and shares. Between them they have almost 8 million individual customers.

Christos Cotsakos, chair-

man of the US's third largest online firm, E-Trade, says: "The old traditional brokerage model assumes people are dumb. They get charged a lot of money for the advice and counsel. Our model is: people are inherently smart. We liberate you with information, charge a value-added price, let you become self-directed and have you handle your financial services."

Charles Schwab, through the purchase two years ago of Birmingham-based Sharelink,

## UK STOCKBROKERS ONLINE

**REAL TIME ONLINE TRADES**  
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Worldwide/Europe/  
Stocktrade (Brewin Dolphin Securities): [www.stocktrade.co.uk/](http://www.stocktrade.co.uk/)  
Barclays Stockbrokers\*: [www.barclays-stockbrokers.co.uk/](http://www.barclays-stockbrokers.co.uk/)  
"launching in April"

**OTHER BROKING SERVICES**  
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Fastrade (Torrie & Co): [www.fastrade.co.uk/](http://www.fastrade.co.uk/)  
James Brearley & Sons: [www.jbrearley.co.uk/](http://www.jbrearley.co.uk/)  
Xest (Charles Stanley): [www.xest.com/](http://www.xest.com/)

now Charles Schwab Europe, is at present the leading online brokerage in the UK. E-Trade is also aiming at UK investors, having taken control of an online broking business, Electronic Share Information, in June 1998. One unlooked-for outcome of the explosive growth in individual involvement in the stockmarket in the USA is the "day trader" phenomenon. These are the people for whom a long-term investment is one they are still holding when the market closes.

This kind of frenzied market activity helped to propel share prices in the USA to record highs and, in particular, has allowed firms involved with the Internet and the worldwide web that make little or no profit to gain market capitalisations on a par with some of the largest and most profitable companies on the market.

Such activity goes against the accepted wisdom of shares being a long-term investment. Indeed, it is highly unlikely to be the way to long-term financial security, since day traders are solely relying on movement in the capital value of the shares. It takes no account of the income potential of the shares or of the quality of the business. If you plan on building a nest egg for the future, this is not the way to behave.

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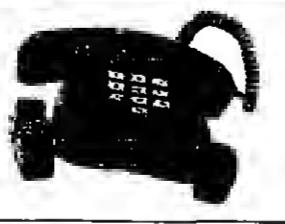
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## Don't let taxing choices lead to a bad mistake

BY RACHEL FIXSEN

WHEN YOU have money to invest, there are always plenty of people trying to take a bite out of it. Fund managers make their charges and intermediaries take commission. But the biggest chunk goes into the taxman - unless you can avoid it.

Successive governments have devised a whole host of tax-efficient or tax-exempt ways to invest, from Personal Equity Plans (PEPs) and Tax-Exempt Special Savings Accounts (Tessas), to pensions, National Savings and insurance-linked products. But are they always a good buy simply because they are tax-free?

While a tax-efficient investment will give you a higher net return than the same investment with no tax break, advisers warn against choosing a particular investment product on its tax status alone. "There are circumstances where you'd be wise to go down the tax-exempt route, but not always," says Dawn Slater of independent financial advisers Dawn Slater Associates.

The most important consideration is that the investment is suitable for you and offers the prospect of good returns. For instance, personal pension plans allow you to save for retirement out of your gross income, with the investment growing tax-free, plus the prospect of a tax-free lump sum on retirement. For someone with no access to an occupational pension scheme, personal pensions normally make sense. But if you are not able to tie money up until retirement, then they are not the right choice.

PEPs allow investors to hold share-based investments and some types of bonds without any liability for income tax on the dividends or capital gains on the profits.

With PEPs, it is not just the tax-break that boosts returns. Some providers have lower charges on their PEPs than they do on the same investment without the tax-free wrapper.



Tax-free may not be ideal for you David Moir

This is because of strong competition in the PEP market.

However, it is still vital to choose a PEP provider or fund management group that you judge to have good performance prospects and reasonable charges.

In any case, owning shares

may mean taking on more risk than you feel comfortable with. A lot of money which would otherwise be saved in a building society account has gone into PEPs, although many savers do not understand the risk of owning shares, says Stephen Dight of IFAs Grosvenor Financial Services.

Grosvenor Financial Services, 01491 414145; Dawn Slater Associates, 01635 45325

### INDEPENDENT GUIDES

*The Independent* has published three guides to investing your money. The first is a 'Guide to PEPs', which details exactly how PEPs work, what their tax effect is and which ones might suit your needs.

The second is a 'Guide to With-Profits Bonds', aimed at those savers who might prefer a rather safer home for

their investment. This guide, sponsored by the With-Profits Bond Shop, is available by calling 0845 2711007.

The third is the 'Guide to High Risk/High Reward Investment', which explains how to achieve greater investment gains - at the cost of accepting higher risk to your money. This guide, sponsored by Whitechurch Securities, is available by calling 0845 2711003.

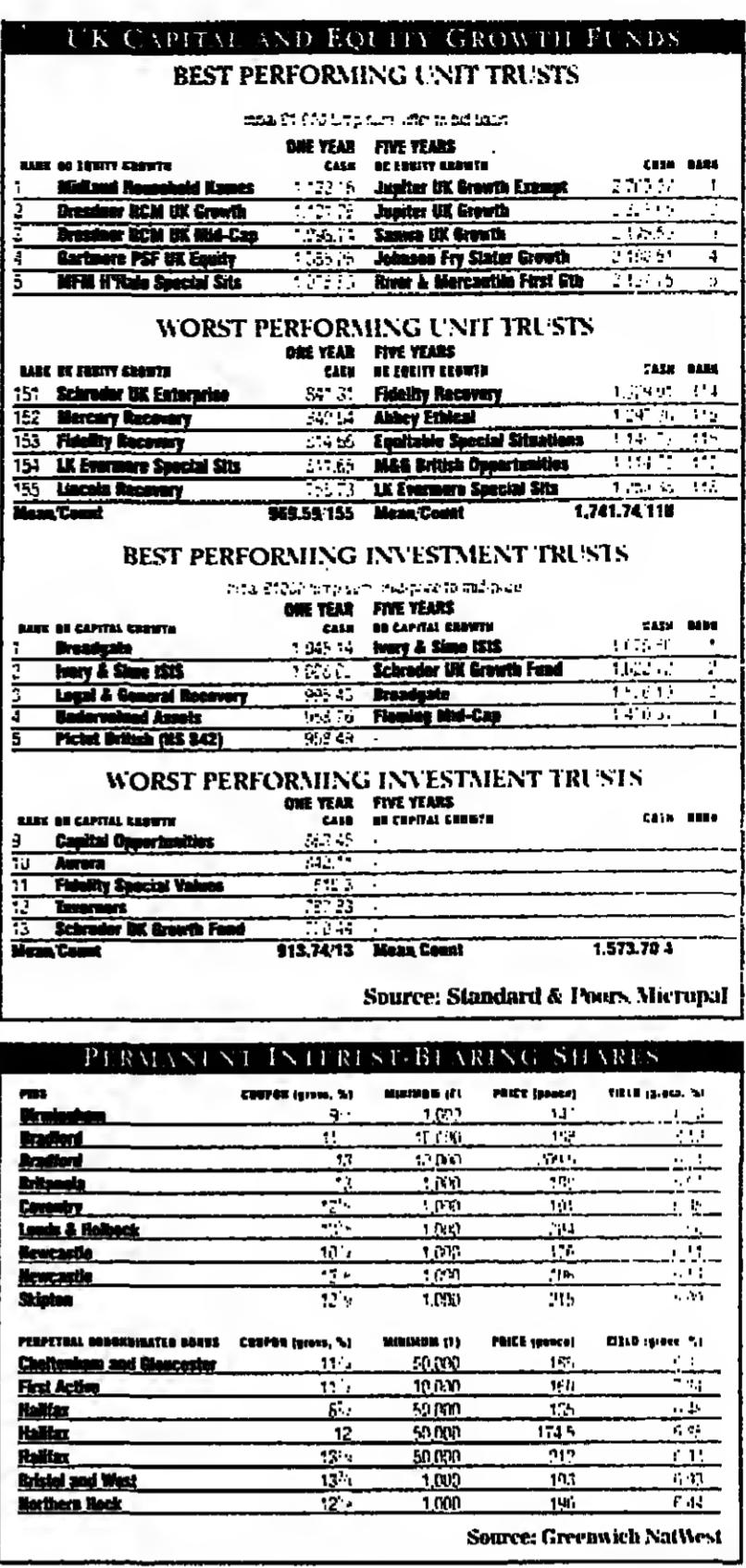
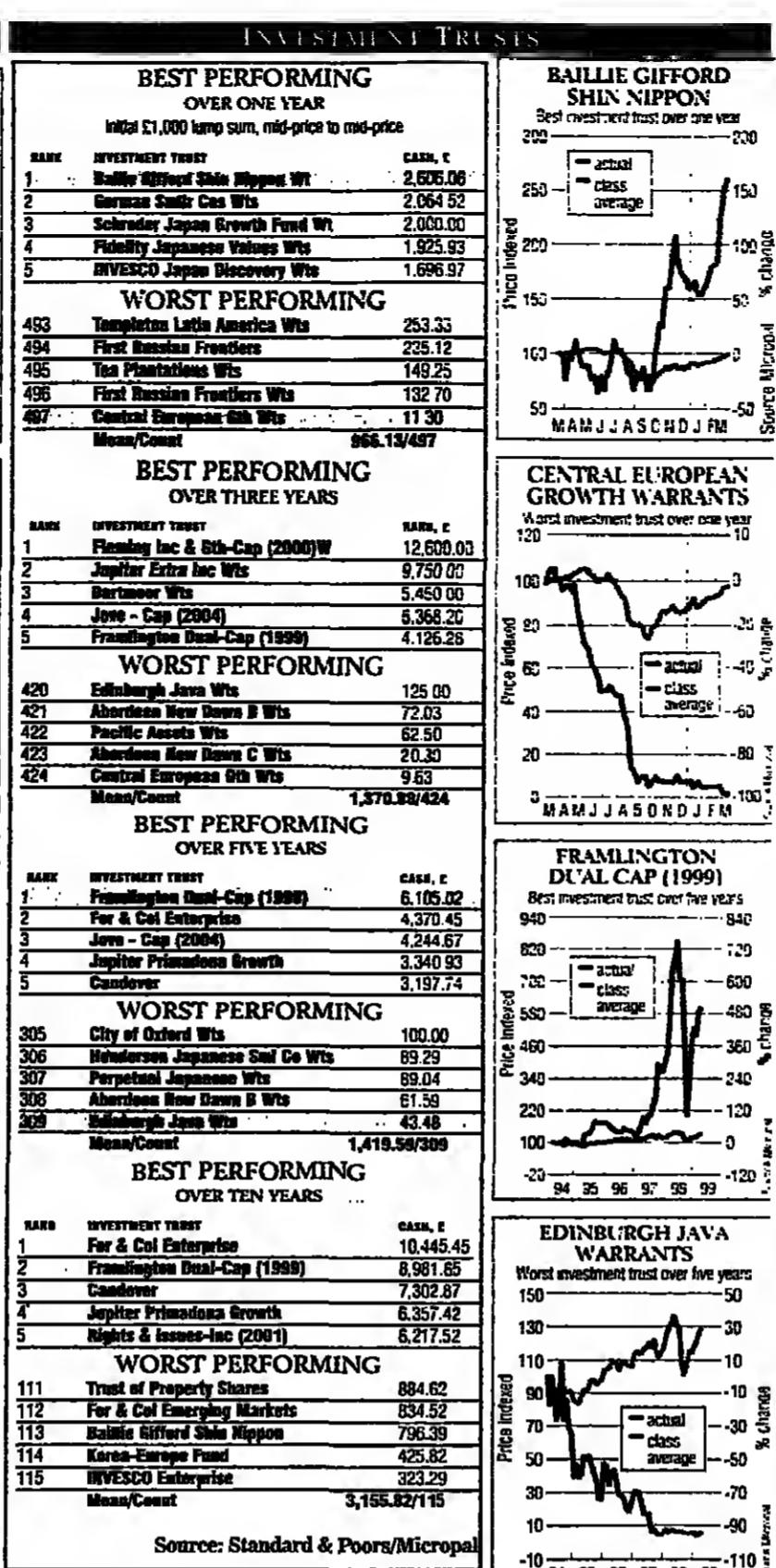
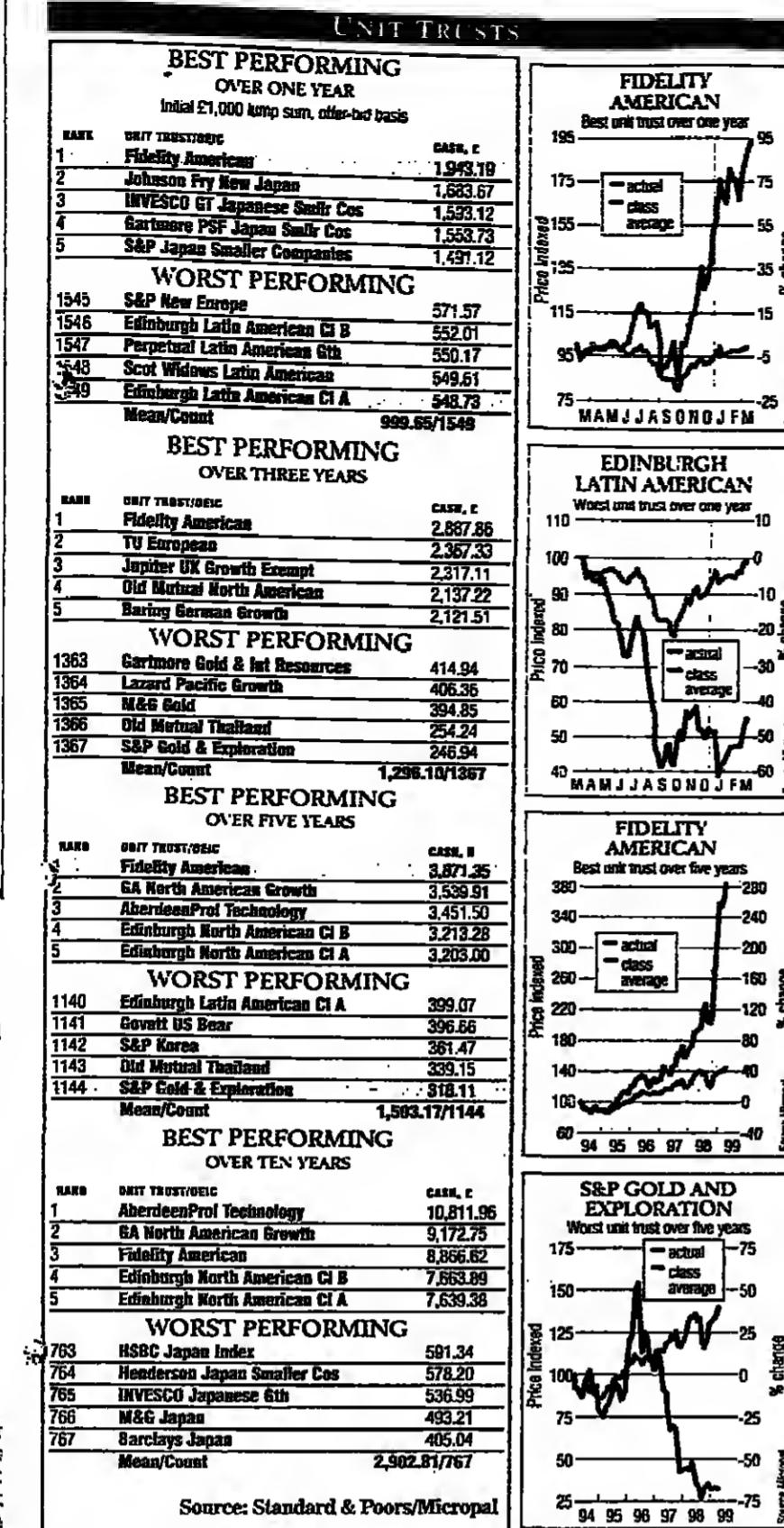
Venture Capital Trusts are similar to investment trusts, but mostly invest in unquoted companies or shares listed on the Alternative Investment Market. They are generally less risky than an EIS, says Stephen Dight. "You have to draw the line somewhere. These focus on the tax break and not the investment. You are better off playing safe with your net income than gambling with your gross income and losing the lot," says Mr Dight.

Grosvenor Financial Services, 01491 414145; Dawn Slater Associates, 01635 45325

# BUSINESS REVIEW/9

INDENT  
March 1999

THE INDEPENDENT  
Wednesday 24 March 1999



**BEST SAVINGS RATES**

**INSTANT ACCESS BRANCH ACCOUNTS**

TELEPHONE	ACCOUNT	NOTICE ON TERM	DEPOSIT	%	%	INTEREST
Tesco	0845 7104010	Tesco Savings	Instant	£1	4.50%	4.50% Yr
Woolworths	0800 222020	Card Saver	Instant	£50	4.75%	4.75% Yr
Yorkshire BS	0845 6006061	Access Saver	Instant	£100	4.75%	4.75% Yr
Teacher's BS	01202 843550	Builder	Instant	£500	4.30%	4.35% 1/2 Yr

**POSTAL/TELEPHONE ACCOUNTS - NO NOTICE**

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  - Provision of financial models and calculation of credit ratios for senior analysts
  - Contribution to research reports and publications for clients
  - Contribution to research on new issue transactions
  - Regular contact and support on day-to-day queries to trading sales and new issue desks
  - fluency in Russian and Ukrainian
  - Working knowledge of Bloomberg, Reuters, the information systems of Moody and Standard & Poor and research via the Internet
  - Advanced use of Excel, Word and PowerPoint.

Credit Research experience gained in Eastern Europe together with knowledge of other Eastern European languages would be an advantage. A detailed CV and covering letter should be addressed to our Consultant, Mrs D. Bailey at GMBM Response Management Services, Landseer House, 19 Charing Cross Road, London WC2H 0ES.

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Nottinghamshire County Council

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The successful candidate will have at least 2 years' experience in commerce and finance in Latin America including financial exchanges, domestic manufacturing and distribution. Exposure to international commerce and corporate finance is essential, with an in-depth knowledge of risk management techniques and Value Based Management.

Strong analytical and numerical skills are required with fluency in English and Spanish, additional European languages would be advantageous. You must have proven leadership and interpersonal skills and be adaptable to different working environments. You must have a high level first degree and an MBA from a leading international school.

Please send a full CV with salary details to Sue Hobman, Group Services Personnel, The Boots Company PLC, 1 Thane Road West, Nottingham NG2 3AA.



THE BOOTS COMPANY

THE INDEPENDENT  
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ON SUNDAY

## Research Executive

Independent Newspapers plc is an expanding worldwide media and communications group with interests in newspaper and magazine publishing, electronic media and broadcast. Their UK arm includes the ownership of The Independent and Independent on Sunday.

The Independent titles Marketing Department has a new vacancy for a Senior Research Executive to work as part of a team of 5 researchers predominantly working on providing the 120 strong advertising sales team with research, market information and sales presentations.

This is a proactive role for someone with experience in publishing and/or research with a good knowledge of the NRS, TGI and other industry surveys. The successful applicant should be a reliable team player and be able to demonstrate a good degree of self-motivation and initiative as well as excellent communication skills. They should also be numerate, used to working to high levels of accuracy and have the ability to get on with people of all ages and levels.

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Please write with full CV and details of current remuneration to Box No. I3056, The Independent, 17th Floor, One Canada Square, Canary Wharf, London E14 5DL.

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ice

up. For British Airways, a key issue is fuel. For air fares are set to rise by 10% in the coming year, bringing a "tough" approach to the advent of the euro at the end of the year. It is a catalyst for change, and without it, there is no business to add a couple of hours to travelling a month. Warnings have been issued by both the UK government and the European Commission that they will feel the need to take action if they do not see the changes as "adequate".

"Well, what do you expect if you work in corporate finance?" I comment, but secretly I'm worried. Jane is the sort of feisty bird who eats parsnips for breakfast, and could probably tell trees with one well-aimed blow from her razor-sharp tongue.

It's unlike her to be upset by

something so trivial, but she's asked for her usual ">&" without the "t", so something's bothering her.

She sighs heavily. "There's more," she says. And so there is, unfortunately: a whole lot more. Because Jonathan has taken a shine to Jane - and he's not taking no for an answer.

"I've told him I'm not interested, but he just smiles at me in a really creepy way," Jane says and shudders.

"Honestly, I'll go insane if he makes another comment about how attractive I look today, or how I should wear that shade of lipstick more often."

"And if he puts me on the knee again... Do you think I should complain to someone?"

Always a tricky one, this. If she says something to personnel and they have a word with him, he could make her life a misery. Whistleblowers get short shrift in pretty much any business, and the City's no exception.

On the other hand, Jonathan's clearly determined to treat my best friend as his next merger and acquisition, and as far as she's concerned, he is a hostile bid.

"Well, I think you have to complain," I say. "You know the score. If you fancy them, it's flirting. If you don't, it's sexual harassment."

**THE TRADER**

The office pest with the hands-on approach may not be quite what he appears to be



"If he tries to block your career, you've got him over a barrel."

"He'd probably like that," Jane replies and looks faintly sick.

"Urgh, what a thought." Then we both stare into our glasses and I wonder why the world of work has to be so complicated and whether I shouldn't have a neat vodka, too.

Suddenly the idea of us both throwing in the towel and opening a flower shop together seems irresistibly attractive, until I remember that that would probably mean the two of us getting up even earlier than we do now.

Luckily, sexual harassment is something I haven't had to deal with, unless you count the ghastly

Neil scheming to get me sacked because I wouldn't go out with him - which, come to think of it, you should.

Still, he never patted my knee and he never made a lunge, except on one occasion after a particularly rowdy business dinner, but luckily he was so drunk by that time he was seeing double and went for the wrong one of me.

So I'm full of sympathy for Jane. The next time I speak to her, though, she's back to her old self and the boss problem is completely cured.

I'm longing to hear what happened to change the situation so, and Jane laughs. "I was having

birthday drinks for Toby in Rupert Street at the weekend: just me and 10 terrible camp gay men. Anyway, who should I spot in a corner but Jonathan - with a tight white T-shirt and his arm draped round a beautiful boy."

"You mean..." I say. "Yes," Jane continues. "All that heavy-handed flirting is a cover-up. You know what the City's like. He's terrified someone might find out he's not straight, and ends up overcompensating."

There's a relief, I think. Jane can relax at work, and the toxic water industry gets a reprieve.

"Oh, and there's one more thing," Jane says. "I got my promotion."

## Merger threat is all talk and no trousers

JANE HAS been having problems with her new boss Jonathan. You know the kind of man," she says, as she gazes mournfully into her vodka. "Too much hair gel, and thinks you're going to take clients such as, "I like to have a woman in each of my teams as it makes the men behave so much better" as a compliment."

"Well, what do you expect if you work in corporate finance?" I comment, but secretly I'm worried. Jane is the sort of feisty bird who eats parsnips for breakfast, and could probably tell trees with one well-aimed blow from her razor-sharp tongue.

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## Still no relief on charity tax pain

BY STEPHEN BURGESS

ALMOST 300 members of the Charity Finance Directors' Group met in London last week to discuss the Government's proposals on the future of taxation for the voluntary sector, outlined in the Consultation Document with the Budget.

The reaction was disappointment. While important incentives for giving have been included, the main demand - for a rebate of charities' VAT burden, or at least a big overhaul - have been ignored. There is no compensation for the phased loss of Advance Corporation Tax (ACT) relief, in effect a £250m tax on charities' income, introduced on covenants and the like.

For every 1p fall in the basic rate of income tax, charities lose about £15m in tax reliefs. As rates dropped from 35 to 23 per cent, the cost to charities climbed by £20m. With the prospect of more falls, income will be hit further.

The tax and VAT implications were lost on donors, perhaps fortunately. A 1996 survey found that 80 per cent of people thought charities did not pay tax and 90 per cent believed they should not.

What was more, as Conservative governments began to withdraw support from the welfare state, charities saw the VAT bill rise even further. Taking over roles played by local authorities, saving money by using volunteers, having to pay VAT and then listening to ministers talk of the tax benefits provided to charity made for all overwhelming sense of injustice.

In 1997 New Labour's manifesto for the voluntary sector appeared to embrace the goals of charities and, if it was being called for a VAT rebate. Concerns about EU law, misuse of charity status and pressure from the small-business lobby had a vital role.

Weeks after coming to power the Chancellor announced the



Anthony Barber introduced value-added tax when Chancellor in 1971; by 1997, irrecoverable VAT was costing charities up to £100m a year

removal of ACT relief. It was a revenue-raising measure alongside the windfall tax on utilities and privatised industries, and charities were also hit. The total tax bill on charities was now building towards £10m a per cent of total income. A future was avoided by the negotiation of a seven-year phase-in and promise of a wholesale review.

Charities started to feel more optimistic that the new government would be kinder and some compensation for the ever-rising tax burden was on the way. Voluntary organisations united in calls for a rebate in the cost of VAT, simplification of the tax rules and more incentives for giving.

Now, a year late, the Consultation Document has been published. Clearly the Government is unable or unwilling to meet calls for a VAT rebate. Concerns about EU law, misuse of charity status and pressure from the small-business lobby are too great. This is

not an uncaring government. When Tony Blair talks of a Third Way, a giving generation and helping those who help themselves, it is with conviction. But how is it to be done? Where do charities go from here?

The Consultation Document does include ways to support the sector. Government proposes help with income generation, which could turn the tide on the key issue affecting charities today - the falling number of

donors. While not addressing specific requests, the proposals are valid. A lower tax burden would be a boon today, but the likelihood of tomorrow's charity is its volunteers and donors. Without them, there will be no money to spend and nobody to do the work. But is the promise of help tomorrow good enough when charities are hurting today?

The proposals to extend Millennium Gift Aid and provide stimulus for payroll giving go fur-

ther than expected, and there are signs the Government is ready to do more if charities show this would boost support. Both systems offer the chance to engage donors through a simple, tax-effective system of regular giving at affordable cost. With effective marketing, this must help charities to obtain and develop support. But they need some assurance that the tax reclaim will not continue to be eroded as the basic rate of income tax drops. Responses to

the Consultation are due by 31 August, and the Government requests consideration of some 30 points.

While the proposals do not go far enough, by encouraging giving, they offer charities a road to fish with.

Stephen Burgess is Charities Director at the accountants Stiffy Champness. He serves on the management committee overseeing the new MP Secondment Scheme.

## Nuts and bolts training adds up

BY ROGER TRAPP

WHEN SIMON DAVIES joined the retail group Dixons a few years ago he quickly realised that the level of demand for a recognised young accountants meant that the company and others like it were going to find it increasingly difficult to do what they had traditionally done - fill their finance positions with part-qualified and newly qualified chartered accountants emerging from firms.

As a result Mr Davies, the company's planning and analysis director, "started from nowhere, developing a training scheme".

The institute says one financial director has said the requirement that trainees apply their knowledge in a wider business context was particularly useful, since his company expected trainees to make an impact on the business from the start.

But it is not just companies which are seeing the benefits. Government departments and other public-sector bodies are among those signed up for an initiative that helps employers to regulate the amount of training and proficiency that should have been attained at each stage of the student's development.

In turn, that helps the company differentiate itself in the marketplace for good-quality recruits, while the graduates

themselves gain from being on a recognised course. Dixons, which has just become the 1,000th partner in the scheme that started in 1996, has 10 people involved and is expanding that number by five a year.

The success of the scheme comes as the CIMA qualification appears to be increasingly attractive to all sorts of employers largely because of its professional grounding in the "nuts and bolts" of business.

A PricewaterhouseCoopers, the world's largest accounting and general professional services firm, has set about establishing the programme in such places as Poland, Cyprus and Malaysia.

Allan McNab, founder of the firm's training scheme, said CIMA had addressed the concern about the continuing global shortage of world-class financial business managers.

Jake Claret, CIMA's director of member services, says: "What we've developed is a total-quality approach to the needs of students and business to ensure a win-win situation."

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ME AND MY PARTNER

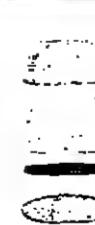
WILLIAM CAREY AND NIGEL LEGGE

William Carey was recruited by Nigel Legge to his sales team 13 years ago. Nine years later, the pair established River and Mercantile Asset Management, specialising in the UK stock market. They now manage £550m on behalf of 7,000 clients



'We wanted to challenge some of the conventional thinking, that you had to be a big company to be in fund management': William Carey (left) and Nigel Legge have headed River and Mercantile since 1995 Tom Craig

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Expanding Possibilities



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**WILLIAM CAREY:** In 1986, I wrote to the managing director of Henderson Administration to say I was interested in working in the unit trust industry. I was handed in front of Nigel, the sales director, who offered to make me part of his team: I had a defined number of clients in a specific part of the country and my job was to make sure they got a good service. Nigel was hugely enthusiastic, very loyal and able to get things done. He's focused, and it was good to hold on to his coat-tails. I was with someone who was definitely going places.

I was out on the road four days a week, with five appointments a day. I explained to clients that I was new to the job, but they could ask me any question and I would get the information for them. I enjoyed the role of selling enormously, but it was a big company and there were a lot of people above me. I was keen to look at other sides of the business, and I was offered another job as an investment manager for an independent financial adviser, the John Lamb Group.

Then Nigel, who had been offered the job of sales director at James Capel, said: "Here's a hell of an opportunity - do you want to come and join me?" That put me in a difficult position because I had made a big decision to join the John Lamb Group. I jumped on my motorcycle and went to see the two owners of the group that evening. They thought I should take it, so I joined Nigel.

When I started at James Capel, our job was to raise money as quickly as possible. We were able to offer clients something different: people liked the idea that we were recommending James Capel products, because the name had a certain pedigree. We started as a small team - just 12 - but as it grew, Nigel became managing director and I was sales director for European business.

We have always worked incredibly closely. During that time, we grew to know each other very well. Then in 1994, I got a call out of the blue, asking whether I would be interested in setting up a unit trust company. I thought there was no point in leaving a big company to join another unless you got equity. But the carrot was there.

I didn't feel I had the confidence to be the lead man, so I spoke to Nigel and we decided this was very much something we would like to do. We realised we would never have tried to set up a company called Legge Carey, but what was presented in this company was a name - River and Mercantile - that had been around for 108 years, with existing funds under management, and we could call the shots. That was very interesting and very exciting.

We wanted to challenge some of the conventional thinking: that you had to be a big company to be in fund management, for example. I think people thought we were mad, but nobody can criticise you for having a go. Soon after we

started trading on 14 July 1995, our parent company sold off the investment trusts to other houses. That changed our perspective on life. We hadn't thought it was a possibility when we joined, but it did make sense because they were complex structures and due to wind up in the year 2000. But we could no longer say we had £400m under management, so that was quite a frightening moment. How were we going to persuade fund managers to join us when there was nothing to run? We were told we had to cut costs by 35 per cent, and we had a pretty open meeting with all the guys who had joined. We said: "We can cut staff, or we could take a pay cut." We didn't lose anyone, but people took that big cut, and I think they knocked down. They were always convinced that we could do something. The most satisfying moment was after about 18 months when we made more money than we spent. That relieved a lot of the pressure about one's responsibility to the people who work here. It would have been difficult for one person to have not gone completely bald during that first period. But we shared it. Nigel

**'Many people have trodden on a lot of toes to be successful - but you have to have trust and our style has been built on trust and openness'**

stand investment, but I wouldn't be here trying to encourage you to buy if I didn't have tremendous confidence in the people who are doing it." It was an open, trusting approach to get people to invest with us. We didn't want to hoodwink anybody. If we could build our business round transparency, integrity and honesty, I thought we could achieve something. It was an environment where you could respect and work with each other's strengths and weaknesses, which is why William and I have stuck together for so long. I am much more impatient than he is, but we have learnt to act as a foil to each other.

I left Henderson in 1988 for James Capel. William had left to become an investment manager for private clients - he was slipping over to the other side of the fence, and it was a valuable period for him. Then he and Richard Parquhar, who is now also at River and Mercantile, joined James Capel, and we had a good sales team because we enjoyed each other's company and did business with people who were happy to do business. It was fluid and never felt hierarchical - there was a strong chemistry between us. We experienced huge expansion, and James Capel became part of HSBC. One aspect of William's responsibility was looking after the PEP business, which was complex and highly regulated and therefore needed a safe pair of hands. It also helped that William is a great diplomat.

It just followed on that we would set up together. We would kick around ideas of what we thought we would do, unless it was blindingly obvious - in which case we would just do it. In bigger companies, you have to manage in the way that gives you the best chance of further progress - which is about politics. What's important is delivery. William and I are both quite strong-willed, and we have occasionally disagreed, but it now gets resolved quickly - when one has a firm view on something you can say, "I really don't think you are right on this one."

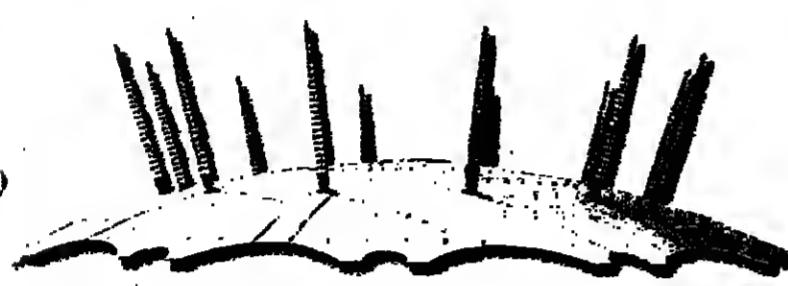
I remember at James Capel people always talking about the future. We had a fantastic role, and I remember saying to William: "We are not going to go anywhere - unless we are given a chance to do our own thing." The opportunity came up soon after, through a co-act of William's. The crunch came when it was time to leave: it was very difficult and we had huge trepidation, but there was a certain pull. It was something we had to have a go at. We felt there was a good chance that we might be able to build something. I don't think either of us wanted to get to 60, only to think: "We should have had a crack at it."

William is now the godfather to my one-year-old daughter, which is nice after all the ground we have covered. We now have £550m that we manage for other people, which is considerable growth, and progress beyond all our expectations.

Established River and  
half of 7,000 clients

# WEDNESDAY REVIEW

COMMENT • FEATURES • ARTS • LISTINGS • TELEVISION



Waste of money



Sexual deviant



Bully



Drug pusher



Hamster molester

## So, what's your complaint?

**I**t was Sooty and Sweep's turn to feel the lash of public disapproval this week. The anarchic glove-puppets were criticised by the Independent Television Commission for excessive sniffling on screen – though it was the scent of aromatherapy oils rather than solvents or Vaseline dandruff that drifted up their cute little nostrils. "It sounds silly," an ITC spokeswoman said defensively, in the wake of much sarcastic comment in the media. "But if you had seen them splashing the oils about and sniffing and giggling and falling over... These oils can be dangerous."

Part of the Commission's job is to monitor advertisements and programmes shown on independent television; in this case, they said, it was their duty to protect children from viewing "dangerous behaviour which could be easily imitated". But they didn't themselves upturn the dusty bears for misbehaving. They were forced to step in after they received 11 complaints from the public (including two worried aromatherapists).

To libertarians this little episode may seem a fine example of what a mollycoddled nation we have become, presided over by an overbearing nanny state. But it raises the question of what exercises the great British public sufficiently these days to lobby the ITC and other advertising and broadcasting regulators.

Sex, for example, no longer winds us up as it used to. Ah, the happy days of the Sixties, when every *Wednesday Play* on BBC1 was greeted with shrieks of moral outrage, every modest sash overtire threw the national Viewers and Listeners' Association into a loop, and every glimpse of nipple in the films of Ken Russell was accompanied by groans that suggested the fabric of British society now resembled the mattress of a Port Said brothel.

People complained about sex in books (*Lady Chatterley's Lover*), in the theatre (*O Captain! My Captain!*, *Hair*), in the movies (*Women in Love*, *Flesh*) and in public life: they complained about the very existence of Mandy Rice-Davies, the naked, shocking bad taste of John Profumo, the naked rear elevations of John Lennon and Yoko Ono.

These days, by contrast, the ITC has had 100 complaints about C4's sexually explicit gay drama, *Queer as Folk*. That there should be complaints is hardly surprising, since the series features more men (including a 15-year-old) on their

knees than the average Muslim prayer-day, but 100 complaints is chicken-feed when compared to the record 1,554 complaints that flooded into the ITC's mailbox in protest at the televising of Martin Scorsese's *Last Temptation of Christ* in 1988. The public merely whimpered at *Queer as Folk*. Ten years ago it would have roared. And significantly, many of the complaints came not from people who object to gay sex on telly but from gays who rejected the portrayal of homosexuals as heartless flesh-bands.

The old shock-horror response to graphic smut is still vestigial with us, but now complaints tend to occur when the sexual "offensive" pops up in an unexpected place, like the lesbian kiss in *Emmerdale* (64 complaints at the ITC) and the incest storyline in *Brookside* (54 complaints – though heaven knows who could still be surprised by a *Brookside* story line).

The majority of sex-related complaints these days are very PC. According to the Advertising Standards Authority, the guardian of standards in press and poster advertising, people are in-

creasingly offended by the portrayal of women – and men – as sex objects. A half-naked woman draped over a car used to shock because she was half-naked; then because she was being casually exploited. Now a half-naked male swigging Diet Coke and being ogled by stenographers in horn-rim specs is just as likely to upset gender fascists. Violence and bad language in advertisements are less likely to upset us these days, say the ITC, although French Connection's enormous "f\*\*k" hoardings showing a spiky female heel about to penetrate a male bottom represent the edge of the acceptable (and show that complainers about such things have no sense of humour). And when it comes to complaints about taste and decency, animals and religion occupy the high ground of controversy that was once the province of muddy Alf Garnett.

Take Kevin the hamster, whose "death" in the service of Levi jeans recently prompted 519 complaints to the ITC. In the Levi commercial, Kevin was shown running round his exercise-wheel in rude and happy health. But then the wheel broke, Kevin died of boredom – and at the advert's bleak finale, a dead hamster (thankfully a rodent) was being prodded with a pencil.

"What it had to do with jeans, I'm not sure," confesses a baffled ITC spokeswoman. "But parents complained that children were upset because they had had hamsters that died, or might die some day. We rarely pull an advert, but the Levi ad was shifted to after 9pm."

The ASA's most complained-about advert also involved animals, namely a cow on a poster which reflected, via a thought-bubble, that if becoming a burger was all there was to look forward to it was best to be washed down with Irn Bru. An astonishing 539 people complained about the ruminative bovine. "Some were animal lovers, others vegetarians," recalls an ASA spokesman. "Hindus also complained on the grounds that the cow was sacred." The ASA did not uphold the complaint. They did not think the advert caused widespread offence.

The eating of a human placenta on Hugh Pearnley-Whittingstall's *TV Dinners* programme last year, in which the wall of a human womb was expertly converted into a smooth paté, was a bor-

derline case for the public-decency watchdogs. You couldn't complain that it was exploiting animals, nor that it was an unwarranted invasion of the human body. It didn't even look particularly gross. The Broadcasting Standards Commission censured the programme saying that, despite warnings, many people had been taken by surprise (perhaps they misread the recipe as polenta), but the ITC found nothing to criticise.

There's a growing tendency for pressure groups to orchestrate their members to complain to the ITC and other bodies en masse, and each time they do, our perception of what exactly concerns "the public" gets distorted. But sometimes you can find unexpected little sensitivities among more predictable issues. Consider the tongue-in-cheek IKEA advert, for instance, in which an employee was made redundant so that his company could buy new furniture. A stream of indignant letters followed. "Complainants did not think that redundancy was a subject for humour," says the woman from the ITC. And the company pulled the advert. At the top of the Commission's complaints chart, alongside Jesus Christ and Kevin the hamster, sits Against Na-

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FASHION



**School gimmicks**

Sir: Mentors and special tuition for 10 per cent of bright pupils. Who dreams up these gimmicks at the Department for Education and Employment? I have just retired after 30 years as teacher and head and the stupidity of this department never ceases to astonish me.

The answer to the problems of difficult schools is smaller teaching groups, which enable the teacher to give more time to the special needs of pupils.

Instead of wasting millions of pounds on "initiative a day" management, just give the money to schools and allow them to employ more teachers (not mentors, whatever they are).

Many MPs, including Mr Blair, have moved their children to schools with budgets that enable them to operate small teaching groups. Listen to the teachers, Mr Blair, not the civil servants. Classes of thirty are a disgrace and it is about time class size was brought into line with the private sector.

TONY CALLAGHAN

Harpden, Hertfordshire

Sir: The Government wants A-level students to attend classes for many more hours each week.

At present, most students do part-time work during their free time. They can then save up some money to help them afford to go to university. Finding time to do this will be virtually impossible now.

Guess who forced students into this part-time work, by cutting higher education grants?

WIN DAVIES

Buryport, Dyfed

Sir: Having had two children from my family experience the challenges of comprehensive education I, like Deborah Orr (Comment, 23 March), find the idea of extra tuition for the so-called talented risible. It suggests an uneasy balance between remaining nationally committed to non-selective education while at the same time promoting internal selection procedures which will be identified by staff and children alike as divisive and arbitrary. When I was a governor of Pimlico school I would never have sanctioned such special treatment.

Comprehensives, if they are to work, must create a community of talent in which the less able never feel excluded. Pimlico offered all the support necessary to the bright and determined children but was struggling to cope with the marginal ones who needed focusing. These children could benefit from extra tuition and a whole variety of extra-curricular activities. Sadly, comprehensives, because of their comparatively low-income parents, are rarely able to raise enough money from the PTAs. Hence the private sector wins. That is where the Government should be directing the money.

By endorsing Tory marketing concepts which encourage us all to scrutinise the league tables, the Government has fallen on its face. It is unrealistic to expect that those middle-class parents whose sole concern is their own child's prospects, and who are locked into the relentless scramble for selective secondary school places, will be converted to comprehensive education by this offering.

NICHOLAS PAUL

London SW11

Sir: It takes less than a week in teaching to appreciate that only a minority of children are very intelligent. It is obvious that those who are will best flourish and realise their potential when educated among their peers and that those who teach them should be sympathetic and cultured.

The ethos of the majority of comprehensive schools is anti-elitist and anti-intellectual (a major source of bullying). Discriminating middle-class parents shun them for this reason.

When the Government's proposed experiment in the comprehensives fails, common sense and competition will restore the grammar schools.

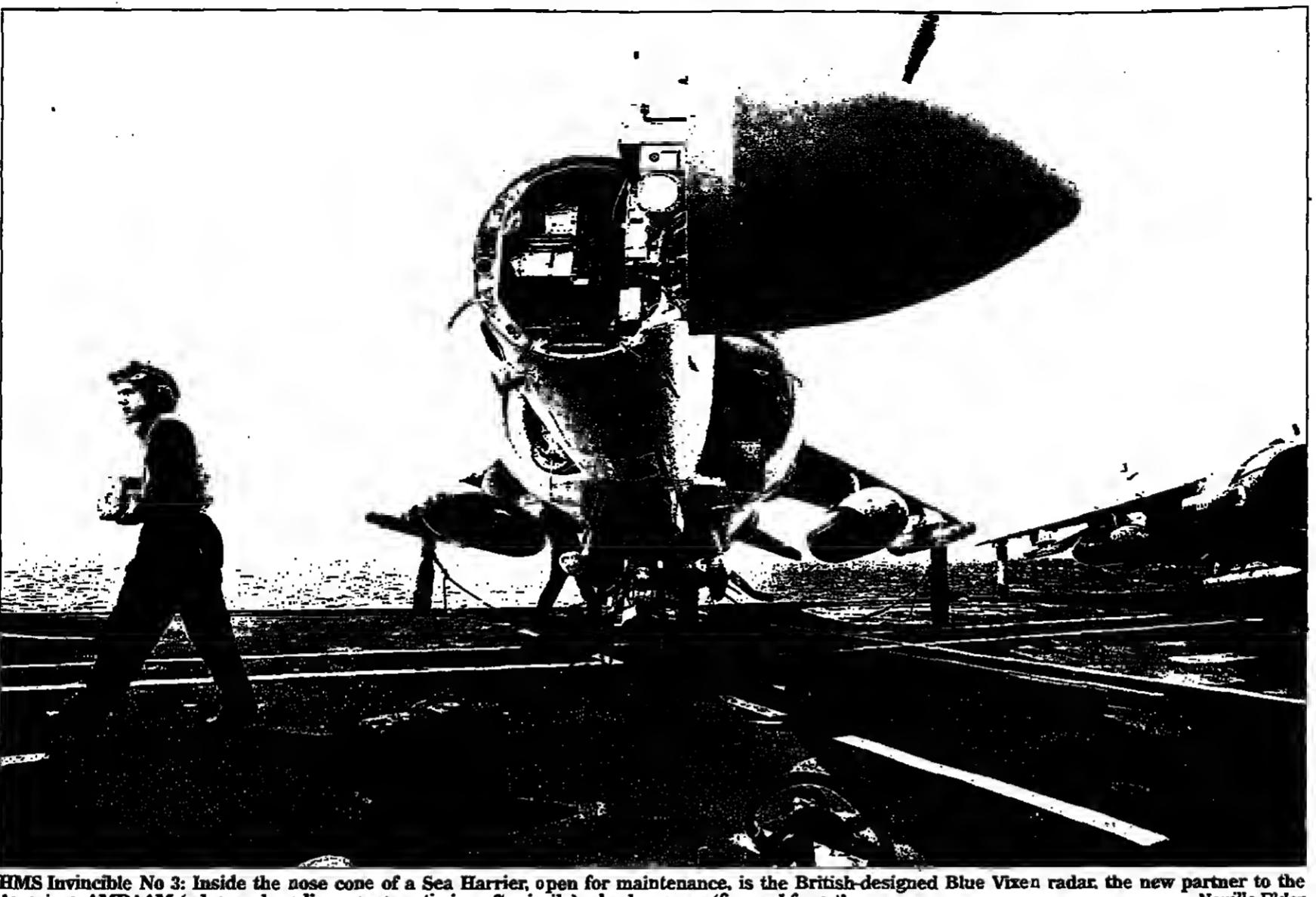
P G ADDISON

Ipswich

**LETTERS TO THE EDITOR**

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Letters may be edited for length and clarity



HMS Invincible No 3: Inside the nose cone of a Sea Harrier, open for maintenance, is the British-designed Blue Vixen radar, the new partner to the American AMRAAM (advanced medium range anti-aircraft missile), also known as 'fire and forget' Neville Elder

Sir: Ministers claim they are privatising Hackney education authority because they are acting on behalf of Hackney parents and children ("Hackney loses control of its schools", 20 March).

In fact at no time have local people been consulted about this. And privatising the education authority was not part of the local election manifesto or my manifesto at the general election, for the very good reason that this is not Labour Party policy.

There is no evidence that this step will raise standards. What it will do is put tens of thousands of pounds, which should be spent in schools, in the pockets of consultants and contractors. And it will undermine local control.

If ministers really want to raise standards in areas like Hackney they should try giving teachers a decent salary rise. But that would mean taxing Middle England. And the Chancellor has actually cut income tax. So New Labour is prepared to sacrifice the life chances of poor children on the altar of low taxation, and rely instead on gimmicky management changes and consultants.

DIANE ABBOTT MP  
(Hackney North and Stoke Newington, Lab)

House of Commons

**US trade war**

Sir: It beggars belief that the US is invoking free trade agreements in an attempt to force Europe to accept GM animal growth hormones ("US and Europe over GM milk", 22 March), which are not only unnecessary, but actually harmful to human health.

Free trade is not intended to subvert national health strategies simply to provide US shareholders with a fast buck. Can we now expect Colt to demand greater access to European consumer markets for its precision-engineered weapons?

If so, perhaps the Medellin cartel should call on the American government to allow unrestricted imports of cocaine; at least that is a

product the US public seems to want.

MARK WOODWARD

London, E15

Sir: The biggest threats facing animal welfare today are the free-trade rules of the General Agreement on Tariffs and Trade (GATT), enforced by the World Trade Organisation. Already, two European Union animal protection measures - the ban on the import of furs from countries using the leghold trap, and the prohibition of the marketing of cosmetics tested on animals - have largely been unravelled as a result of EU fears of WTO challenges. We are facing the same problem in trying to resist the import of genetically modified foods from the US.

Moreover, the GATT/WTO is making it increasingly difficult for the EU to introduce new animal welfare measures. The WTO allows the EU to ban a cruel rearing system within its own territory, but the inability under the WTO to ban the import of meat or eggs derived from animals reared in that cruel system in practice strongly deters the EU from banning the system within its own jurisdiction. The main reason why the EU is reluctant to ban the battery cage is that under GATT rules it could not ban the import of battery eggs.

The EU must include the animal welfare problem among its negotiating objectives for the WTO

Millennium Round, a new round of negotiations starting in 2000, at which there is an opportunity to get new rules agreed.

EVE STEADMAN

Cambridge

Sir: We have already witnessed the threat of unilateral American sanctions as a response to the banana dispute between the European Union and the US. A recent edition of the television documentary on the Cold War provided a chilling reminder of the lengths to which the US will go to counter a threat to its strategic banana interests in Latin America. Economic sanctions, subversion, and if all else fails they send in the Marines. Europe beware.

DR BRIAN HOUSTON

Hartley Wintney, Hampshire

Sir: That a divorced or separated father should "run around in a BMW and pay nothing towards his child's upkeep" is, as the Social Security Secretary says, intolerable ("Darling backs ptying by CSA", 22 March). A couple of thousand of them are rightly sent to prison each year for such conduct.

However, there is ample research to show that nearly half of all single mothers deliberately obstruct or completely block access to their children by the fathers. It is a rarity for even one of

them to be sent to prison for repeated ignoring of court orders regarding paternal access.

Is this not equally intolerable and what does this government propose to do about it? What price sexual equality?

JOHN C GRIFFITHS

Redbrook, Monmouth

Sir: We cannot let Ambassador Pfler's justification for Argentina's claim to the Falkland Islands go unanswered (letter, 18 March).

First, it is not surprising, considering the membership of the UN Decolonisation Committee, that Argentina has found some support for its claim there. But in today's world we seriously question the relevance of the Decolonisation Committee. There are few remaining overseas territories, and all the British ones, including the Falkland Islands, have no wish whatsoever to sever the constitutional link with the mother country.

Second, contrary to Mr Pfler's assertion, it was a British seafarer, Captain John Strong, who made the first recorded landing on the Falklands in 1690, and British sovereignty was claimed in 1765, not 1833. Even then, there was no settled population in the Islands.

Third, many of the present inhabitants of the Falkland Islands are the descendants of the first

**IN BRIEF**

In reality, it is paving the way for an eventual Greater Albania. Why not also restore the Krajina Serbs' former constitutional status as one of Croatia's two historical nations? Better still, ensure their right of return to their ancestral lands.

YUGO KOVACH

Twickenham,

Middlesex

Sir: I was much encouraged by Roger Chapman's suggestion (letter, 22 March) that tax relief for charities was just another way for the rich to transfer the burden of tax to the poor. The thought that the rich are foolish enough to spend £77 just in order to unload £23 in tax must give the poor new hope.

RICHARD STURCH

Isle, Oxfordshire

Sir: Washington says it wants to restore Kosovo's autonomy.

MARTIN COTTON

London W4

ROBIN BUTTERELL

Chester

Sir: My reason for growing a beard (Terence Blacker, Comment, 23 March) is simple: to avoid the time-wasting tedium of shaving each morning. Over the past thirty years those odd minutes saved from the razor have added up to a considerable number of extra hours in bed asleep - and sleep is, of course, the greatest pleasure that life affords.

MARTIN COTTON

London W4

ROBIN BUTTERELL

Chester

**Persistent rumours of a civilisation beyond Berkshire**

YESTERDAY I made the strange

claim that interesting things happened outside London which London knew nothing of. I hope nobody took this to be a reference to fox-hunting. Fox-hunting is indeed interesting and rural, but Londoners are very well aware of the fact that it happens. Indeed, some Londoners, impressed by the billions of people who come on Countrywide Marches to the capital, may be under the impression that nothing else happens in the countryside except fox-hunting.

Well, I moved from Notting Hill to west Wiltshire 12 years ago and I have seen no fox-hunting yet. Plenty of foxes, but no hunting. What I was thinking of, when I referred to interesting things happening outside the capital, was something like Bath's Natural

Theatre Company: The Naturals, as they are known locally, have developed some highly sophisticated street theatre techniques, for which they have received awards in places as far apart as Japan and South America.

I'm not talking about juggling and fire-eating here. I'm talking about real street theatre, which people in London may not be aware of. I certainly wasn't till I encountered the Naturals.

I once asked one of the stalwarts of the group, Brian Popay, if they took the same acts all over the place.

"One 'policeman' and 'police-woman', I remember, walked round hand in hand for hours. You should have seen the looks of disbelief of the faces of the bearded music-lovers, especially when the police couple would occasionally dis-

"But the best thing to do is to devise something peculiarly apt to the particular event we have been invited to attend. For instance, we were once hired to provide entertainment at the Glastonbury Festival. Now, a rock festival is a place where so many things go on - sex, drugs, mud - that you'd think it would be hard to surprise or shock anyone there. But then it occurred to us that there is always one predictable well-behaved element at a rock festival: the police. So some of us dressed up as members of the police and, well, misbehaved.

"One 'policeman' and 'police-woman', I remember, walked round hand in hand for hours. You should have seen the looks of disbelief of the faces of the bearded music-lovers, especially when the police couple would occasionally dis-

**MILES KINGSTON**  
I moved from Notting Hill to west Wiltshire 12 years ago and I have seen no fox-hunting yet

pear behind tents for a quick snog, which tended to freak out the rock fans a bit."

Another example. Bath has an

annual boules tournament in Queen Square, and every time I refer to it glowingly in print I tend to get letters saying: "If you think the Bath boules tournament is great, you should come to the one at Sherston in North Wiltshire. That's a real boules event!" This was confirmed to me recently by a tall young man from Sherston who works in our local Wiltshire wine shop and who takes the game of pétanque very seriously.

How seriously I didn't realise till last month when he vanished for a fortnight, having gone with his team to take part in the Winter French Pétanque Championships at Millau.

"Got through to the fourth round," he said, on his return. "That's at least halfway to the final. So we did quite well. Unfor-

**Triumph of tosh**

Sir: Howard Jacobson is right (Review, 23 March). *Shakespeare in Love* is tosh, and I loved it. It was such good tosh. Indeed it takes tosh to new heights, something Shakespeare did in his day with *A Midsummer Night's Dream*, for example. Furthermore, it makes Shakespeare accessible to a lot of people who wouldn't otherwise read him. I went to see the film with an Austrian friend who has a degree in English and had always steered clear of Shakespeare. After seeing the film, she went away determined to try reading one of his plays.

As for the Christopher Marlowe joke, this got a real belly laugh in the cinema, something Shakespeare would have been proud to have caused.

Congratulations to all those involved in the film. You deserved your Oscars. Thank God Shakespeare doesn't only belong to the dry and dull purists.

MARY ZACAROLI

Oxford

Sir: The news of the success of British films in the Oscars is most encouraging and the recipients of these awards deserve our warmest congratulations.

That does not mean, however, that we should be complacent about the future of the British film industry. On the contrary, when *Shakespeare in Love* is rewarded by seven Oscars, recognising talents such as those of Tom Stoppard and Dame Judi Dench, it is distressing to note that the film is financed by America (good luck to them for spotting the commercial opportunities) and that the profits will go back to the US.

Until we begin to address the many structural problems which our industry faces - the lack of integration as compared to the US - we will not begin to achieve the consistent level of success which our creative talents are worthy of.

TOM CLARKE MP  
(Coatbridge and Chryston, Lab)  
House of Commons

The writer was Minister for Film and Tourism, 1997-98

Sir: The British media consistently misinform readers as to the nature of the US "R" (Restricted) movie rating. It is not, as you stated in connection with the film *Eyes Wide Shut* ("Kubrick's final legacy", 12 March), an "adults only" classification, and the "restriction", such as it is, merely requires that persons under the age of 17, (and that can be any age below 17), must be accompanied by a person over the age of 17.

The US "adults only" classification (the equivalent to our "18") is "NC-17", which is awarded to very, very few films indeed, and films so classified may not be seen by persons under the age of 17, whether accompanied or not. No major studio productions ever get classified "NC-17" as it is considered a bad box-office.

People in Britain fail to realise how incredibly mild the US film rating system is compared with here, and American children, if they have a mind to do so, can probably get to see almost all those films which in Britain are passed only for over-18s. That is something to reflect upon.

DAVE GODIN

Sheffield

**Steamy**

Sir: My Finnish friends must be bemused by the headline "Chief constable MP was in sauna" (17 March). Sensible fellow, I imagine them thinking. Curiously, there is no mention of a sauna in the article itself, but rather of a "Thai massage parlour".

I don't know what the Thais make of this; but the Finns find it hard to comprehend the sleazy connotations in Britain of their great national institution. And they regard as quite extraordinary the fact that advertisements for domestic saunas invariably depict families prudishly sitting around, wearing towels.

NIGEL GREENWOOD

London NW2

Unfortunately, the sauna is not a well-embedded culture in this part of the West Country, with many a piste behind many a pub.

It might make a good story in one of the London papers. And pigs might fly.

**Tomorrow: Who should be the next mayor of London? The debate continues to rage in the West**

**Triumph of tosh**  
Sir Howard Jacobson is right to laud his tosh, and I would add that good tosh. Indeed, like Shakespeare, he did his best. Macbeth, for example, *Birth of a Dragon*, is a masterpiece according to him. People who would not otherwise read him, I went to see the film with an American friend who doesn't know English and has never seen a play. She was so moved by it that she went on to read the book.

As for the Christopher Biggs joke that's not a real belli laughs the general something Shakespeare would have been proud to have caused.

Congratulations to all those involved in the film. *Young Victoria* stars. Thank God Shakespeare doesn't only live in English and has shown a clear sign of Shakespeare's staying power, she went on to determine fully reading my plays.

FOR ALL the Prime Minister's evident enjoyment of throwing himself into the European fray, he looks like a good horse-trader rather than a visionary. He is doing an effective job of putting himself in the middle of the action, using all the skills of media management that have served him so well in Britain. Taking full advantage of the Kohl-shaped hole in the heart of Europe, and the relative weakness of the new German government, Tony Blair has used his energy and freshness to take up a lot of space. Of all the European Union leaders, he gets the most media coverage in other countries.

His real leverage, however, is limited. Although he was quick to call for Jacques Santer to go the moment the report detailing corruption, nepotism and incompetence was published, he was careful not to be too specific in the reforms he demanded. He did insist that "we cannot have the next president appointed in the same way as the last". It sounded like a rallying call to end the system of horse-trading between the leaders of member states. But all he meant was that he and his fellow leaders should appoint the new president of the European Commission "on merit" and not, as Mr Santer was, as the candidate who caused least offence.

Mr Blair was pretty fast on to the Romano Prodi bandwagon, too - fast enough to make it look as if he had got the former Italian prime minister's wheels rolling in the first place, whereas in fact he might have preferred Wim Kok, the Dutch Prime Minister. Mr Prodi is a strong candidate, a leftist technocrat and "third way" reformer like Mr Blair. But the president of the European Commission should not be appointed by the same process as before. The Brussels bureaucracy needs an injection of direct democratic accountability, and the best place to start would be the top. At the very least, the European Parliament should hold US Congressional-style hearings to approve the appointment, as Mr Blair proposed when in opposition. Now he will not even go that far, and yet he should be going much further. Why not have a Europe-wide election for the Commission president, at the same time as the European Parliament elections this summer?

Why not? We know why Mr Blair and his partners meeting in Berlin this week do not want it: the danger of increasing the democratic legitimacy of the Commission is that it makes it more powerful - a dilemma known as the Skinner Paradox after the Eurosceptic Labour MP for Bolsover. To be sure, this raises all sorts of further questions about the constitution of Europe, to what extent it should follow the US model, the Westminster one or models yet undreamed of. But these are precisely the questions that should be debated in Berlin. This was supposed to be the summit that made the definitive preparations for the expansion of the EU, to include Poland, the Czech Republic and the others camping on the steps.

The clear-out of the Commission offers a wonderful chance to rewrite the EU's constitution to make that expansion workable, and more democratic than the existing Union. Mr Blair told the Commons last week, "I am hesitant about trying to draw up a new constitution for the whole of Europe." But this is a question of leadership, and if the inert, paper-shuffling culture of Brussels cannot be burst open by a crisis like this, then its dead hand will continue to hold back the European ideal.

Mr Blair is up to his usual game of sounding radical in order to try to shift the boundaries of the possible, and certainly there is nothing to be gained by floating crackpot schemes that will only offend our European partners. But a vision of a wider Europe on the Blairite model of a stronger, democratically accountable centre accompanied by the real devolution of power would give the horse-trading in Berlin some sense of purpose.

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## This war, at least, is silly and unnecessary

WAR HAS always been a confusing affair, and trade wars are even more baffling. Precisely why the United States and Europe are about to fight a war in which Terry's Choco-Oranges, Roquefort cheeses and cashmere sweaters are to serve as ammunition cannot be immediately apparent to the average consumer of these products on either side of the Atlantic. But, as with a real war, it is important to understand what this conflict is all about. It is, in truth, about an important principle, one that is worth fighting for.

The Americans want to sell us beef. Some of the beef has been raised using a bovine growth hormone. The Americans insist that it is perfectly safe. The British Government agrees with them. But the European Union doesn't, and has banned it. The body responsible for sorting out

spats like this, the World Trade Organisation, has ruled in favour of the US, and said that the embargo should be lifted by 13 May.

While the EU waits for the results of its tests on the safety of the hormone, it wants a label clearly stating that the beef has been reared using it. The US will only order a label saying the meat has been approved by the US Department of Agriculture.

This seems an extraordinarily narrow territory for dispute. But the EU is right to be digging in. The ban should be lifted, but only if Europe's shoppers are told precisely what it is that they are being offered. The wording of the label is thus important. We are entitled to be given information about whether a product has been irradiated, injected with growth hormones or had its genes manipulated. Clear and comprehensive labeling is also the best way to ensure that the food industry avoids the devastating blights that arise when the fragile trust between farmer and shopper is broken.

## Kosovo is part of Europe - that is why we must fight to save it

SLOBODAN MILOSEVIC has turned into a great dictator with all the trademarks of one: madness, cruelty and longevity. He began his rise to power by exploiting Serbia's sentiments about the sanctity of Kosovo and made a stepping-stone of personal ambition and dreams of territorial aggrandisement. When he ended Kosovo's autonomy in 1989, the Soviet Union was still in existence and the shrill ravings of a Yugoslav nationalist seemed to all but the most prescient an insubstantial threat.

Even when the violence began in earnest in Croatia in 1991, there was something faintly absurd about Serbia's leader. Early that year, I attended a dinner in Belgrade given by the government. Mr Milosevic looked and talked like a copy-book Eastern European Marxist-Leninist lecturer - socially insecure, ham-fisted but stubbornly bullish about his beliefs under pressure. When he tired of too much pre-prandial questioning about his intentions, he announced sharply: "Let's attack the soup." I remember that this hawkishness, applied to the dinner, seemed rather comical. Not so funny now, after Vukovar, Srebrenica and Racak.

Milosevic has outlasted Mikhail Gorbachev, George Bush, Margaret Thatcher, Helmut Kohl and John Major. The end game fails to Clinton and Blair. When people complain that the aim of the Nato mission against Serbia is unclear, they are wrong. There is one clear goal, without which peace is impossible: to create a situation in which Milosevic falls from power and the distorted, rapacious

Serbia he has created is humiliated. Unless Milosevic rouses himself from the nightmare of his own making in the next few days, this is the course on which Nato will embark: the most serious engagement in Europe since the Second World War.

There is no institutional or legal case for military action against a sovereign power that has committed atrocities on its own territory. We must rely on the more subjective assessments of realpolitik and on the ethical imperative for reasons to act. Yesterday in his Commons statement, Tony Blair entwined the two in a proposition that can be summarised as: "Not acting is more dangerous than acting; and, anyway, it is right to intervene because of the suffering imposed by Milosevic on Kosovo."

This is sound. But the mission is going to be a long and bloody affair; its price and its outcome uncertain. The Prime Minister will need to work harder in the weeks and months ahead to convince people that Britain's involvement is justified. When he contemplated the post of Prime Minister, it is unlikely that the consummate Mr Blair imagined himself as a war leader. But high office is unpredictable and this is what he may be called upon to become.

Milosevic's role in Kosovo will be an even more difficult war to sell than the last Gulf skirmish - and that was far from being Mr Blair's most convincing piece of salesmanship. Bombing the Serbs on behalf of Kosovo is as near as damn it to a recognition of Kosovan independence. It may well be that in order to seal the strategic gains



ANNE MC ELVOY

*Being a European means sharing some basic values and duties of care for each other*

of a bombing campaign, we will have to commit troops onto this territory against the will of Milosevic - indeed this is the outcome he dreads, because it guarantees his disgrace and downfall. But its political and human cost would be high.

Among William Hague's warm waffle of support yesterday was a nasty opportunistic bit in which he said that the Opposition will support the incursion of ground troops not to fight for the peace, but only to uphold a diplomatically agreed peace. This opens up a chink between government and opposition at a time when custom and decency dictate that they should hold together.

Mr Hague knows full well that air power alone may not be enough. The brutal truth is that without the option of committing ground troops, Nato

may well not be able to forge peace in Kosovo.

But it is the Prime Minister who will take the strain and he needs to prepare his rhetorical as well as his political battle. At such times, even a nation cynical about politicians listens closely to what its leader says. Given his strong commitment to European institutions, Mr Blair was a surprisingly reticent European when it came to laying out the single binding reason why we are obliged to take in the risks of a long conflict in Kosovo: it is a part of Europe. The alternative to Western intervention is to accept that the Western ideals of basic human rights and freedom from persecution by the state do not apply to Yugoslavia. I do not believe that Europe should tolerate such ethical exclusion zones.

A favourite argument of opponents of bombing is that since the West is neither able nor willing to use force to tackle injustice everywhere in the world, it should not do so in Yugoslavia. But Europe is the point: the Continent's future is our future. If we are not to fight a brutal aggressor after a delay similar to that which allowed the carnage of Bosnia, where would we fight?

One of the baleful consequences of the dominance of the single currency in Western Europe's priorities has been the downgrading of a wider sense of what it means to be a European, as bestowing some basic values and duties of care for one another. Into this vacuum floods the kind of petty selfishness manifested by the renowned Second World War historian

Correlli Barnett in a baffling and perverse newspaper article in which he compared the prospect of Nato ground troops in Kosovo with an "army of occupation". Technically, this may be a correct description. But Kosovo is not the Sudetenland.

The overwhelmingly Albanian population sees Nato as a redeemer, not an invader. Barnett then worries about the risk of Kosovo distracting our armed forces from some other pressing threat to British interests. But what interest can be more pressing than peace in Europe? Much of the global-reach doctrine of our armed forces has outlived its usefulness. Forging and maintaining the peace in Europe and on its borders will be task enough for the next century.

There is no such thing as a "far off corner of the Balkans" in a Europe that has a new Nato member in Hungary, bordering on Serbia and in which refugees split across open borders. The Iron Curtain is no longer there to shield us from unpleasantness.

Barnett and the rest of the new British isolationists might like to cut Britain off from the security interests of Europe. But it is neither possible nor desirable to do so. Nonetheless, a creeping "I'm all right Jack-ism" is shared by the sections of the left and right. They are intent on forming a coalition of apathy and will fight for nothing and no one beyond their own garden fence. It is to these latter-day appeasers that the Prime Minister needs to address himself more forcefully if he is to become a great statesman, as well as great politician.

### QUOTE OF THE DAY

"We have no alternative but to act and we will, unless Milosevic even now chooses the path of peace."

Tony Blair,  
Prime Minister

### THOUGHT FOR THE DAY

"The highest possible stage in moral culture is when we recognise that we ought to control our moral thoughts."

Charles Darwin,  
British scientist

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## MONITOR

ALL THE NEWS OF THE WORLD  
*The American press considers the 1999 Academy Awards ceremony*

IN A field that included two movies set in World War II, Benigni's tragic-comedy, and two movies set in the Elizabethan era, a movie about Shakespeare walked away with best picture. If the Bard had been on hand, he might have wondered how a movie heavily laced with his own words didn't also earn him a best writing award.

*Corpus Christi* (Collier Times)

old-fashioned romance conquers all. *Thick* may have been a much bigger hit at the box office, but *Shakespeare in Love* shows that a splendid script is the most special effect of all.

*Bergen Record*

SUCH AWARDS are meaningless in the large scale of events that shape our world.

One would be hard-pressed to name three of the last five "best picture" winners. Yet the

slight of *Saving Private Ryan* was disappointing. The Oscars proved true the words of Edward Bulwer Lytton, a British author and contemporary of Charles Dickens: "The pen is mightier than the sword." Or at least the pen of a make-believe Shakespeare is mightier than the make-believe artillery, but true heroism, of *Private Ryan*.

*The Freelance Star*

THE SURPRISE was that

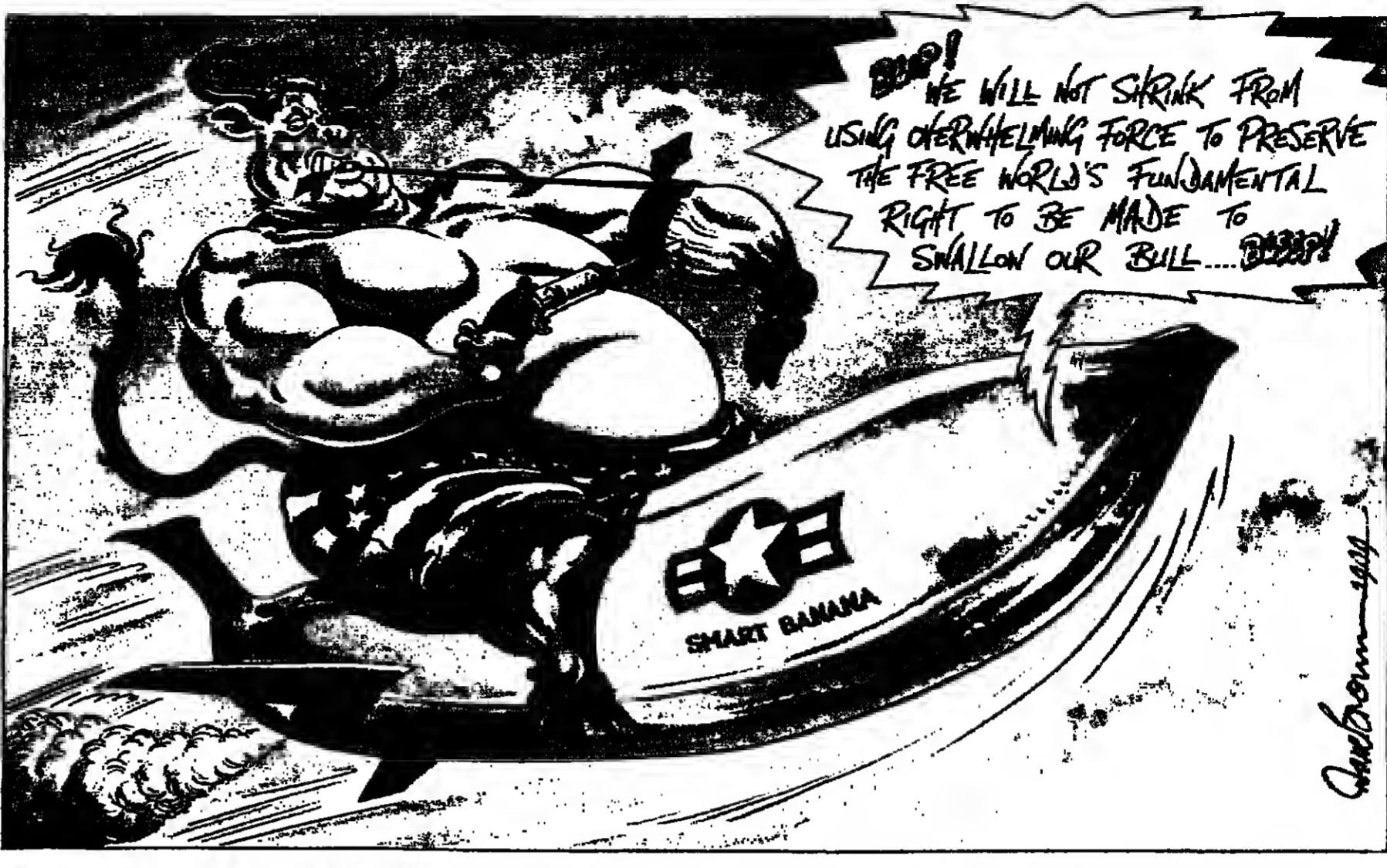
*Shakespeare in Love*, a romantic comedy, won as best picture over the expected winner, *Saving Private Ryan*, a thunderously powerful movie. The show reminds us that movies constitute one of the most extraordinary cultural forces in this soon-ending century. Movies reflect us, affect us, endlessly captivate us. Movies can generate exuberance and other deep feelings because some of them do reach deep within us.

*Naples Daily News*

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Jack Johnson 1999

## PANDORA

PETE TOWNSHEND is to snub London's West End and open his new musical *Psychoderelict* on Broadway next year. The long-awaited successor to *Tommy* and *Quadrophenia* is about a middle-aged rock star who emerges from self-imposed exile only to step straight into a media scandal. Pete Townshend, on his lonesome own, to polish his autobiography, recently confessed to lustful feelings for one M Jagger. Suspicious minds in Theatredland suggest that *Psychoderelict* is in any way autobiographical should be thoroughly ashamed of themselves.

THE AGEING British Fascist John Tyndall is promoting media friendliness among Britain's lunatic fringe. A four-person team filming *The Lost Race*, a documentary about the far right to be screened on BBC2 tonight at 9.40pm, was finally granted access to Tyndall's lovely terraced home somewhere on the Sussex coast. But before giving admittance, the 65-year-old physical fitness nut insisted that the producer, Ben Lewis, who is Jewish, sign an agreement to prohibit filming inside, or indeed the crew entering the property's lavatories - something nasty in the bathroom cabinet? When quizzed about this by Lewis, Tyndall advised the crew to empty both bowels and bladder in advance. How prudent.

POPPES HAVE been chosen and baby whales gestated with less fuss than that surrounding the selection of our next Poet Laureate. The front-runner Andrew Motion has been looking good for landing the literary double of both winning the laureateship and writing the biography of the former incumbent Ted Hughes. But while he's still shirt-priced for the Butt of Sack, the Hughes's biography may be slipping from Motion's grasp. Last November the literary renaissance man published a vaudevillian poem "In memory of Ted Hughes". It described the final meeting between Hughes, Motion and their wives in a pub garden, and was widely viewed as Motion's masterpiece to seal both deals. But it seems that the Hughes estate is now seeking alternative arrangements; the word is that the poet's widow, Carol, didn't like Motion's verse one hit. Or perhaps she was offended that she was omitted from

the watercolour that accompanied it?

NORTH LONDON Conservatives have combined a moral message with a dash of tangy Euroscepticism in a flyer circulating in Hampstead. Councillors Andrew Menneah and Martin Davies vow to keep a vigilant watch on an application for table-dancing at Secrets, a local night-club. "There must be no street-visible advertising of semi-naked girls. This is Hampstead, not Hamburg."

POOR LORD Hollick. After curiously knocking back a cash offer for *The Star* from an Anglo-Irish syndicate last year, he ordered minnows to expedite a swap swap with Chris Evans's Ginger Group to unload the underclass tabloid. But the deal fell out of bed, leaving Hollick in the embarrassing position of having his red-top steed (*The Star*) financially supporting its ailing Express titles. Prisoners of the Grey Lublinka, less than thrilled by *The Express's* disaster-prone advertising campaigns, have taken to pre-emptive strikes on the latest, which features the absurdly optimistic tag line "Full Speed Ahead". "Yeah," one hack said. "On the road to nowhere."

THE SUCCESS of *Shakespeare in Funds* is forcing some out-of-the-box questions among West Coast types. Heard poolside in Palm Springs this week: "But how do we make iambic pentameters appeal to the hip-hop demographic?"

THE FRIENDSHIP between Blur's Damon Albarn (pictured) and the Kinks' Ray Davies has fuelled hype that the duo are to collaborate on a musical. No so, says a mouthpiece. Sure, they're buddies, and yes, they have discussed doing a musical together. But for now, Davies's dance-card is full with his storytelling act and work on his own show, provisionally entitled *Come Dancing*. But when that's done, and All-Brain has finished promotional chores on Blur's new album, yes, the pair may well be singing off the same songsheet.

THE UNEXPURGATED version of Alan Clark's diaries are to be published later this year. What could be left out last time?

Contact Pandora by e-mail: [pandora@independent.co.uk](mailto:pandora@independent.co.uk)

## The defeat of General Wonderful

THE FATE of Augusto Pinochet will be announced today in the House of Lords, and tension among those interested is intense. But as one who was on the spot to watch his coup d'état in the Chilean capital in September 1973, who had friends killed and tortured by him and who has followed his arrest in London with close attention - and no little glee - I am supremely relaxed about their Lordships' verdict.

We who have wanted him and his like punished for their murderous ways have already won. He and his like will never be the same men again. Like some minor warships he and his like have been holed below the waterline.

He has been accused with a wealth of evidence in open court of the most heinous offences. His lawyers have had to argue about their client's crimes in the context of Hitler's. He has been confined to a barely furnished house somewhere south of Staines with disk jockeys and chat-show hosts for neighbours. Consequently, whatever international prestige he could aspire to in the evening of his days has been blown away by Judge



HUGH O'SHAUGHNESSY  
*He has been confined to a barely furnished house with chat-show hosts and disc jockeys for neighbours*

García's avenging wind from Spain. His crimes have been rehearsed to the enlightenment of those who were too young to remember the putsch a quarter of a century ago. Many more people than before now know how his torturers used dogs and mice to violate the women prisoners he was responsible for arresting. The details of the huge fortune his family has accumulated

from the privatisations and arms deals his regime carried out have been picked over and publicised.

But, most intimately, he has been knocked off a personal pedestal on to which he will never be able to scramble back, however many supporters are pressed to fete him at the airport if he eventually returns to Santiago.

When he was still commander-in-chief of the Chilean army less than a year ago you could watch him glorying at being on parade. As one who wore one for a short time many years ago, I could empathise with his enjoyment of an army officer's uniform. His was splendid, a cape with red gorgets at the throat picked out with gold braid.

But the image of General Wonderful in his cape has been superseded by the picture of him squashed between two policemen in the back of a none too spacious saloon car being rushed along the M25 to an encounter with the beats at Belmarsh magistrates' court, somewhere in the wilderness of East London's Erith marshes.

The recent high jinks in London led me to recall a similar humili-

ation he suffered in 1980 when President Marcos and his wife, Imelda, carried off the only act of public service they ever could be proud of. They cancelled Pinochet's visit to the Philippines when his plane had already taken off across the South Pacific from Santiago and was within hours of landing in Manila. With little fuel left Pinochet landed in Fiji where he suffered further indignities. Ratu Sir Kamisese Mara, the gallant Fijian premier, called his meeting with the dictator, which he had not wanted anyway.

And not only were there great difficulties in getting the aircraft refuelled, even on payment of a hefty premium, there was no little delay even in getting a gangway to the plane. So the captain found himself in the position of having to shut down the air-conditioning in order to save aviation spirit thereby gently broiling Pinochet and his fellow travellers. After the gangway at last arrived, everyone's luggage was minutely checked by Fijian customs, who conveniently forgot the English they had learned as former subjects of the British Empire and who insisted on

reverting to their own exotic South Pacific tongue. To crown it all, in the morning Pinochet's car was pelted with eggs and tomatoes by well prepared Fijian demonstrators.

Sadly the world's press and camera crews were not there in force to give the events the coverage they deserved. They have made up for it in recent months in London this time the dictator's humiliation has been broadcast worldwide.

The effect has been notable. In São Paulo the other day a Brazilian senator remarked to me that through its treatment of Pinochet, the House of Lords had earned respect around the world. In the streets of Asunción, the capital of Paraguay, the case of Pinochet in London has prompted calls for the old dictator General Stroessner to be brought back from exile in Brazil to stand trial.

The detention of Pinochet has

had exemplary results already. I would like to see him in court again in Madrid. But objectively speaking it doesn't matter. The Spanish judge's action has already had its effect. *Viva Gorra!*

## The hypocrisy at the heart of America's banana war

THE GROWING sense of outrage at America's bully-boy tactics in the banana wars is no doubt leading a lot of people to question what benefit Britain gets from its so-called "special relationship" with the US.

Here we are, risking the lives of our pilots every day as they go off to bomb Iraq at Bill Clinton's request, while the very same Bill Clinton is zapping our cashmere sweater industry and destroying jobs in the Scottish borders. And if this isn't bad enough, there's the threat of even more severe sanctions against Europe because we have not been persuaded that eating growth-hormone-saturated US beef is good for our health.

Let me make it clear that I am in favour of trade. Since 1945, the successive waves of negotiation that have reduced tariff barriers around the world have seen the growth of trade create both work and prosperity on a global scale. Those nations that tried to shelter their declining industries behind tariff walls merely poured vast subsidies into resisting the inevitable, rather than using those subsidies to create new jobs in more modern industries.

The old Soviet economy became increasingly arthritic because the Communist bloc was excluded from world trade. Through their planned economy structure, the old Soviet leaderships were able to create their own domestic industries which, in terms of quantity of output, came close to rivaling the West. But the products never equalled Western alternatives in terms of sophistication, reliability or marketability. They had no competition.

But to leap from the recognition that trade is a vital part of global prosperity to the oxymorons of free and fair trade, parroted ad nauseam by politicians and financiers as they move from one well-oiled global

summit to another, has no logic.

No nation in the world has ever risen to become an economic success story by following the strictures of the IMF or the World Bank in favour of so-called free trade. The oldest capitalist nations, such as Britain and the US, refused to accept the principles of free trade as they built themselves up into economic giants.

Britain's rise to global economic power came about because we were the first nation in history to invest 5 per cent of our GDP per annum. The new industries created by this investment were protected and cosseted by being given preferential access to the British Empire, which in its heyday comprised one-third of the world's population.

Throughout the 19th century American governments constantly complained about the exclusion of their corporations from being able to compete on equal terms in the British Empire. It was not until the Second World War, when Britain was finally on its knees, that America was able to wrest major concessions

from Churchill's government. During this era, British politicians demanded that the world adhere to the principles of free trade while excluding our rivals from the third of the world that we still managed to control. While denouncing the British, America erected massive tariff barriers.

The hypocrisy of both Britain and the US continues. At each new round of Gatt negotiations to reduce tariffs, Britain and the US have demanded that their high-quality finished goods have free access to markets around the world while erecting effective trade barriers to prevent Third World nations from selling their much more cheaply produced food here and in the US.

The simple fact is that American, Japanese and European agriculture are isolated from global competition while Third World nations that dare to try to protect their embryonic manufacturing industries suffer sanctions and financial penalties. Japanese households could purchase their rice for one-tenth of the price they would currently have to pay if the rice producers of South East Asia were allowed the right of free trade.

The billions of pounds, dollars and yen spent protecting our farmers from free trade could be used to create new high-skilled employment, or even be spent restoring our countryside to health by removing the all-pervasive deposits of pesticides and fertilisers that have poisoned our soil and water.

Over the past two centuries, the nations that have been able to break through Britain and America's rigging of international markets in order to catch up, all have one thing in common. Germany, Japan, South Korea, Taiwan and now China have all made huge strides to close the gap between themselves and the

English-speaking world, but only by protecting their domestic markets from the impact of free trade. It was only when those domestic industries were strong enough to withstand international competition that these nations then lowered their barriers. The one country that has followed the IMF and World Bank strictures about opening its markets to free trade is the country that has done most spectacularly badly.

Russia's industries, which were

weak when Yeltsin came to power,

have almost without exception been eliminated by a flood of sophisticated Western goods.

By contrast, Communist China maintains a whole range of regulations and has state intervention and a vast public sector. It has also seen its economy grow more rapidly in the past 20 years than any other country in history.

On current trends it should be

the largest economy in the world within 10 to 20 years. Suggest free trade to a Chinese leader, and he will laugh in your face.

The reasons behind the banana

dispute are simple. Although the US, of course, does not produce any bananas of its own, Carl Lindner, the boss of Chiquita (formerly the United Fruit Corporation), was one of the largest donors to Mr Clinton's re-election campaign.

Now he is calling in his favours.

Mr Clinton is prepared to risk a global trade war rather than offend his monopoly backers, even though he knows that if the US gets its way the Caribbean states, who are his target, will be tipped into an almost permanent recession in which drug production may well replace the banana trade.

In a world in which three global corporations control 80 per cent of trade in bananas, three control 83 per cent of cocoa, five control 77 per cent of cereals and 10 control 94 per cent of the market in agro-chemicals, the idea of Adam Smith's invisible hand of the market is a joke. World trade has always been managed, and usually by the biggest and most powerful bullies on the block. They know what they can get out of a special relationship.

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The issues of access to literature and public libraries are inseparable. Local authorities maintain they only close libraries which are underused. Yet it may be that the library is not working hard enough to overcome the barriers which hold back large numbers of the least privileged members of society.

Many have been arguing that the libraries should be extended to include computer use because there is such a serious risk that in the brave new world of technology we are going to create techno-rich kids and techno-poor. The closing of libraries in the midst of talk about social exclusion suggests that all the claims about joined up government have a long way to go.

We have wonderful projects taking place. There is the Writers in Prison scheme. There are now 100 literature development workers around the country; there are writers in residence and there are writers in schools.

I do have a sense of alarm about huge publishing conglomerates controlling everything, an unease about the relegating of the book to a commodity in an increasingly bland airport market, but when I return to the earth I have no doubts that literature will survive. People will always feel the desire to write with truth and imagination, and others the desire to read their creations. The challenge is to widen the net of readership.

Creative librarians find so many ways to draw people in, holding special events around children or special days like Mother's Day and Valentine's Day and inviting along writers.

The local library has all the potential of being at the hub of a lifelong learning project - if it is to be more than rhetoric. I cannot believe that we are seeing the closure of so many libraries. In my own London borough of Camden the struggle against cuts continues. The local library is the ordinary working-class person's lifeline. The notion that books are now cheap and there are bookshops on every corner and, therefore, libraries have lost their role, is a fallacy. A decent paperback costs over £5, which is a lot of money to the young or the less well-off.

The issues of access to literature and public libraries are inseparable. Local authorities maintain they only close libraries which are underused. Yet it may be that the library is not working hard enough to overcome the barriers which hold back large numbers of the least privileged members of society.

Creative librarians find so many ways to draw people in, holding special events around children or special days like Mother's Day and Valentine's Day and inviting along writers.

In a Knowsley housing estate in Merseyside, I saw Portakabins in playgrounds being

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I, like others, believe that one of the values of literature is to do with democracy.

It has a role in the creation of what my Scottish teachers called "the democratic intellect", which is the development of critical faculties. It helps us to understand the power of language. As Graham Martin of the Open University says: "Literature leads people to have more self-confidence, more understanding of moral and other experience."

However, most adults receive no further learning opportunities after completing their initial education; over half our young people come out of school and start adult life in need of compensatory education. When I was receiving evidence in 1997 for the Learning Works report, I travelled around the country to the real unemployment black spots, where whole swathes of the community have been laid waste.

What became clear to me was that the trick is to bring learning to the learners. Adult learners often prefer to learn alongside their peers and women returners blossom in

courses specifically designed for them.

But the learning should not be confined to computer skills and "training" for employment. Likewise, in schools, squeezed curricula leave little room for library browsing or trips out to the theatre. And why should teachers be prepared to do extra-curricular when they are so undermined by the Chief Inspector, an educational Luddite who seems intent on smashing the very machinery which will deliver progress and who treats his role as if he were inspecting taxes rather than the creative process of teaching?

Frequently people explain to me the terror they have of setting foot inside institutions. Therefore, the invitation has to be very clever if it is to overcome that terror. Our inventiveness should see no limits in creating all kinds of community learning centres. It should be one of our aims that all the large corporations and public-sector employers are equipped with learning resource centres, part of the new University for Industry.

# We need a cull in Europe



**ROY JENKINS**  
*The new President must have more say over who his colleagues are and authority to reshuffle*

BERLIN IS today for the first time the seat of a European council. It is the city's most important international conference since 1978. It has an unusually heavy agenda, and its handling will be a great test of the leadership of Gerhard Schröder. But its first task is to produce a convincing nomination for the presidency of the European Commission, to be put to the European Parliament.

This is crucial importance. It was the Parliament which brought down the Santer Commission. By doing so it showed that it was not just a tiger with paper claws. And that, unfortunate though the circumstances were out of which the crunch arose, was an advance for democracy in Europe, a reduction of the so-called "democratic deficit".

But it is essential that the new president should command the parliamentary confidence which the old one had lost. Parliaments do not nominate executives. No large body can produce a name by a process of spontaneous combustion. The House of Commons needs to have a name or names put before it even when it is performing so domestic a function as electing a Speaker. But, particularly in present circumstances, a Parliament worthy of the name must have the right freely to accept or reject.

A few voices have been raised in Britain – not, I think, anywhere else – suggesting that the present crisis should be used to get rid of the whole idea of a Commission, or at least so drastically to reduce its function as to turn it into nothing more than a subordinate secretariat to the Council of Ministers.

This is nonsense, but it is motivated nonsense, inspired by those who wish not to democratise the institutions of Europe, but to destroy them. If a national government is judged to have failed and is forced into resignation, you do not decide to do without a government altogether.

I am not in favour of a Commission trying to do too much. It should be astutely selective about what it undertakes. But, apart from purely management roles, it has certain essential functions which only it can perform.

The first is to inject into any important debate the interests of Europe as a whole. The member



The European heads of government at the recent EU summit in Vienna

states are only too liable to squabble over their individual national interests. They have ambassadors in Brussels to do that. But commissioners, even though obviously coming from member states and being nominated by them, have a wider duty and indeed take an oath to act only in the wider interest. They do not always discharge it, but a lot do, and they tend to be the ones who carry the greatest influence.

Second, the small states, of whom there are 10 in the Union, with another half-dozen in the queue for entry, see the Commission as an essential protector of their interests. They have a natural fear of too much being settled over their heads by the big five (or the big two) of France and Germany, as has often recently been the case. They would resolutely resist any attempt to reduce the Commission to a purely subordinate and non-political role. And in a community of big and small states with great disparities of power, it is essential that the small be respected.

A more difficult issue is whether, following the harsh report of the "wise men", the whole previous Commission should be regarded as ineligible for reappointment.

On the one hand it is essential that the "resignation" does not come to seem just a farcical going out of one door and back in through another. On the other hand, a clean

sweep would involve the loss of a lot of talent, and largely innocent talent. Van Miert, the Belgian in charge of competition policy, and Slegier, the Frenchman in charge of monetary union, have been very good commissioners. The two Britons, Leon Brittan and Neil Kinnock, have also been thoroughly up to the job. Yet it would clearly be unacceptable for the British Government to say: "Everybody must go except for our two boys."

On the whole I incline to the view that it should be for the Parliament to decide who they think should continue to be eligible. This would have one considerable side advantage.

It would necessarily mean that MEPs would have to differentiate between commissioners, and not as

forced out, then it goes wholesale. The analogy is not wholly valid, for the Commission does not and cannot operate like a one-party government. Furthermore, if we look for a practical example of when in this century a change of government in Britain produced the greatest and most necessary resurgence of confidence, it would be very difficult not to choose May 1940, when the Churchill grand coalition replaced the Chamberlain administration. Yet the cull that was carried out then was far more selective than anything that is likely to take place in Brussels.

The current state of flux should also be used at least to set in train a number of other desirable changes. The Commission is too large – not its staff, which is surprisingly small (fewer than Wandsworth Borough Council, the favourite comparison), but the number of commissioners themselves. In my day there were 13, including the President. That was too many, in the sense that there were only 11 real jobs, and the remainder had to be mocked up. There are now 20 commissioners. That is nine too many. With enlargement, unless the system is reformed, there will be nearly 30. That will reduce quality and will mean the end of collegiality.

Grasping this nettle means that big countries must be prepared to give up their second commissioner and that smaller countries must take turns.

The new President must also be given more say over who his colleagues are to be (there is already some genuine consultation, with some countries being more forthcoming than others) and authority to enforce reshuffles when he thinks they are necessary. Without this he is very much in the position of a man with more responsibility than power.

The last thing the Commission needs is a weak President. Jacques Santer is an amiable man, and he has done some things well, notably presiding over the introduction of the single currency, but it cannot be said that he has been a strong President, or that he has avoided complacency. However, he was not put in to be strong, rather the reverse. And let it not be forgotten that he was the single-handed choice of the British prime minister of the time, John Major. Without his ill-starred veto, which he appears to have thought would impress the Tory Eurosceptics, the Belgian Jean Delahe, a much tougher figure, would have been appointed. Let the lesson be learnt.

Jacques Delors, by contrast, was a very strong president, who gave the Commission a brilliant profile and was particularly good at working with the key governments of

France and Germany. Internally he was imperious, got rid of too many directors-general who did not agree with him, and may in consequence have left the staff of the Commission less good than he found it. In my day I thought it was on the whole good and hard-working, comparable with, although not the same as, the British civil service, which I admired. The maintenance, maybe the restoration, of quality in directors-general needs attention.

The Commission has had a great jolt. Probably it was necessary. But it should not be forgotten how successful has been the Europe of which it has been the motor. The Europe of the Community has been an area of great prosperity, and we in Britain, because we have had a few relatively good years, should not forget that in France and Germany and in several other countries too, both productivity and income per head are still substantially higher than they are here. Western Europe has also been an area of stable peace, instead of the war plague-spot of the world. No country has ever wanted to leave the Eurosceptics, if they have their way, will blaze a unique trail and too many want to join. These are major achievements to be set against current upheavals.

Lord Jenkins was President of the European Commission from 1977 to 1981.

## RIGHT OF REPLY

**KEITH FLETT**



The organiser of the Beard Liberation Front responds to yesterday's attack on facial hair by Terence Blacker

I HAVE to say that I have, perhaps surprisingly, some sympathy with Terence Blacker's views against beards. "Sorry, I just don't like beards".

It was indeed the case in George Orwell's day, and remains so now that a beard may be a sign of sandals-wearing and vegetarianism, that is to say, of a certain tiresome eccentricity. There has long been the assumption that beards are somehow linked with left-wing subversion, which holds less sway nowadays, given how many beards there are around Mr Blair's cabinet table.

But that is as far as I can go with Mr Blacker. The hidden agenda of his attack on beards is, of course, an attack on political correctness.

Mr Blacker senses that discrimination against people with beards is not quite in the same league as racism, homophobia or sexism. He is right. Ultimately you can always shave the thing off. The problem is what beardism symbolises.

Those employers who ban their male workers from having beards – a growing number, incidentally – are also the same employers who demand that their female workers wear skirts not trousers, and who rigorously discriminate when it comes to annual appraisal time against anyone who does not conform to the stereotype of a young, single white man in a suit.

In a society that should be diverse and inclusive, how you look and how you dress, rather than what you do and how well you do it, is increasingly used by those in authority as a way of defining the enemy within.

Terence Blacker can be a beardist if he wants, but he must recognise that real discrimination exists out there, and that it stinks. Discrimination against beards really does matter.

## Trials of the turbaned warriors

### WEDNESDAY BOOKS



**THE SIKHS**  
BY PATWANT SINGH, JOHN MURRAY, £25  
**THE ARTS OF THE SIKH KINGDOMS**  
EDITED BY SUSAN STRONGE, V&A PUBLICATIONS, £35



BOTH OF these books, and the Victoria & Albert Museum exhibition which opens tomorrow, commemorate the 300th anniversary of one of the defining moments in Sikh history – the creation of the Khalsa, or the Order of the Pure, by Guru Gobind Singh in 1699. As a result, a religious movement first began in the late 15th century to provide a more humane and liberal environment for its followers took a military turn. Sikh males, bearded and turbaned, assumed the surname Singh – or lion – and became among the greatest warriors not merely of the subcontinent, but of the world. Sikh females assumed the surname Kaur – or princess – and were, at least in theory, guaranteed equality with their menfolk.

Sikhism represented an attempt to ameliorate the cruel and chronic ef-

fects of caste and privilege in India. In its purest form, it advocated democratic decision-making, individualism and the rejection of feudalism and tyranny. So it provoked disapproval and, at the worst, persecution at the hands of those who dominated the social and political structure. As an embattled minority in a country where the overwhelming majority remained Hindu and where Muslims, through their many conflicts with those whom they saw as their enemies and who hated them in turn.

MERELY within the last 90 years, Sikhs have suffered and died in their hundreds of thousands – as targets of the brutal Brigadier General Dyer during the 1919 Amritsar massacre, as some of the main victims of the horrifying massacres that accompanied Partition in 1947, and as co-religionists of the bodyguards who assassinated Indira Gandhi in 1984. As a result of the vengeance of mobs after this last event, it has been estimated that nearly 4,000 Sikhs were killed or burnt to death in Delhi alone.

Small wonder that the Sikhs, traditionally vulnerable to the hatred of both Hindus and Muslims, became increasingly associated with their British overlords after their defeat by the East India Company's forces and the annexation of the Punjab in 1849. During the great sepoy rebellion of 1857, Sikhs played a notable part in crushing the revolt. Their zeal owed at least something to their instinctive opposition to the mutineers' rash decision to invite the elderly and reluctant Mogul emperor Bahadur Shah II, nominally to lead the uprising after the fall of Delhi.

As the power of the British Raj increased to subcontinental hegemony, the role of the Sikhs became more significant, especially in the army. Seeing them as the most loyal of the "martial races", the British used them as the Viceroy's bodyguards. This tradition, inherited by India's post-Partition prime ministers, was to lead directly to Mrs Gandhi's death.

Yet despite their extraordinary contribution to the British military presence in India, and despite the fact that from 1914 they were awarded roughly half of the Victoria Crosses won by men in the Indian Army, the Sikhs never surrendered their integrity. They played a heroic part in nationalist agitation against British rule, and went to prison and even to execution in far larger numbers proportionately than other groups. They were also heavily recruited into Bose's ill-fated Indian National Army of liberation during the Second World War. At the end of the century, they remain a proud and independent people, several millions of whom live overseas, principally in Britain, the US and Canada.

Patwant Singh has also contributed a chapter to the beautifully produced V & A publication, *The Arts of the Sikh Kingdoms*. The book is a visual delight. Its editor, Susan Stronge, has written the chapter on arts at the court of one of the greatest of Sikh rulers, the maharajah Ranjit Singh. The illustrations in this chapter alone are enough to send the reader scurrying to South Kensington. Among the works shown are the Koh-i-nur diamond in its original setting, the golden throne of Ran-

## Kosovo Emergency

Fleeing the recent intensification of the conflict, thousands more civilians, including children and the elderly, have been driven from their homes. In total, more than 130,000 civilians have been displaced by the conflict while thousands more have taken refuge in neighbouring countries.

Some have no option other than hiding in the mountains and woods, sleeping without shelter in the open air. It was still snowing in Central Kosovo last week....

It is a daily struggle for families to feed and protect themselves.

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**ACTION HUNGER**

### WEDNESDAY POEM

#### CASTLE TIARAM, LOCH MOIDART BY GEORGE BRUCE

The tide comes in and empties the castle of all but its bloody memories. The tourists are gone, the last busting to the shore before the tide cut-off, leaving their litter. Paper bags spin up draughty holes and out, whisked out to sea. Lords of the Isles lived here, thinking to themselves – forever. Gone. What human kind were they anyway? Pride, courage, cruelty in them, no doubt. Evening – the loch stills. In its shimmer Tiaram trembles. From the dark cube laughter, echoes of children, the new invaders – Andrew, Ken, Karen, Jennifer, Ben – a play pen for them. Night. Skriachs – the sea birds have it for themselves.

From George Bruce's *Pursuit: poems 1986-1998*, published at £5.95 by Scottish Cultural Press



The last Sikh ruler of the Punjab, Maharaja Dalip Singh, painted by FX Winterhalter, 1854

# Harry Callahan

**IN 1951**, Harry Callahan showed his photographs in a one-man exhibition at the Art Institute of Chicago. At 38, he was head of photography at the institute, and was just beginning his lengthy career as an art photographer and teacher, a career which would change the face of American photography. Alongside Minor White and Aaron Siskind, he established a *gravitas* around photography which secured it as an art form in the United States.

Unlike the British photographers who struggled in the post-war years to elevate photography from its lowly position in the museum world, Callahan and his photographic colleagues had no ideological or institutional battles to fight. The photography department at the prestigious Museum of Modern Art (MoMA) in New York had been established in the late 1930s, and under successive curators had proved to be a vital outlet for the new photography. Callahan's first exhibition at MoMA was staged in 1960, positioning him as one of the foremost photographic innovators in the US, and assuring him of a large and influential audience for his work.

But Callahan, like so many of his contemporaries in photography, did not emerge from America's élite. Born in Detroit in 1912 into a farming family, Callahan studied engineering at Michigan State University but soon became discontented with his subject. He took an administrative job at Chrysler Motors in Detroit, but his burgeoning interest in photography increased, and in 1941, he signed for a workshop with the master landscape photographer Ansel Adams.

For Callahan, this was the turning point. Ansel Adams used photography not to record or to document, but to express an intense spirituality, a deep communion with the natural world. For the 29-year-old clerk from Chrysler, Adams's workshop was a revelation. Abandoning his Rolleiflex camera, Callahan began to use a large format view camera, which by its depth of detail and definition, took photography back to its early-19th-century roots and demanded precision, concentration and a pre-formed idea of what the photograph would be.

*'Photography is an adventure just as life is an adventure. A photographer must understand his relationship to life'*

be read as a portrait of a marriage, two young people meeting each other's gaze through the camera's lens, exulting in the eroticism of their partnership.

By the mid-Fifties, Callahan's reputation as a photographer and teacher was assured. In 1957, he showed with Aaron Siskind at the Centre Culturel Américain in Paris, and it was this joint exhibition which exposed his work to British audiences, as the show toured to Algiers and London. Another major Fifties show was a group exhibition with Minor White and Walter Rosenblum, held at the Museum of Art at Cornell University, but not until 1962 did Callahan achieve real recognition in the world of American photography, with a 1962 exhibition with the pioneering documentarist Robert Frank at the Museum of Modern Art in New York.

The 1960s were heady days in American photography. New on the scene were iconoclasts like Diane Arbus and Gary Winogrand, whose incisive photographs of Americans at home showed a society dysfunctional and in distress. Callahan's view of modern life was altogether more gentle and confident, as he continued to portray the idyll of his relationship with Eleanor. "Photography is an adventure just as life is an adventure," Callahan once remarked. "If man wishes to express himself photographically, he must understand, surely to a certain extent, his relationship to life." Callahan's relationship to life, if his photographs can be taken as evidence, was one of calm and diligence, as he pursued both the photographic idea and the domestic Utopia.

Like many master photographers of his time, Callahan was a devoted

and inspired teacher. From the Institute of Design in Chicago (where he worked with Aaron Siskind) he went on to teach for many years at the Rhode Island School of Design in Providence. He taught his students (who included future luminaries such as Linda Connor, Emmett Gowin and Kenneth Josephson) that the fine print dignified the photographer's vision. A craftsman as much as an artist, Callahan revered the process of photography and photographic printing, providing a standard for American black-and-white work which continues to this day.

Callahan's photographs were last seen in London in 1985 in a perhaps misnamed exhibition, "American Images", at the Barbican Art Gallery. Reactions to the exhibition ranged from mixed to hostile. The deeply toned fine prints of Callahan, Adams,

White et al perhaps seemed an anachronism as Britain sped headlong through the Thatcher years. What seemed to be an untenable male and somewhat mystical view of the world was at odds with the drive to democratise photography, to use bright colour and to document the banal and the everyday. Callahan's photography was seen as privileged, academic and overconcerned with craftsmanship.

Over a decade later, it may be time to look again, to take a different reading of this remarkable body of work, to reflect on its resonance and its place in photographic history.

VAL WILLIAMS

*Harry Morey Callahan, photographer; born Detroit, Michigan 22 October 1912; married 1936 Eleanor Knapp (one daughter); died Atlanta, Georgia 15 March 1999.*

## Sir Michael Caine

**IN AN UNLIKELY liaison**, the three worlds of Michael Caine were never far apart. Agro-business (a corporate buzzword he hated), the continent of Africa in all its manifestations, and the Booker Prize for Fiction were his life.

Even in retirement from 1993 his tall, gaunt figure, a cigarette rarely far from lips or fingers, was a familiar landmark at the Booker Prize's annual dinner at Guildhall in London. For almost two decades, while at the helm of the prize's progenitor, Booker plc, he had presided over its development into the world's foremost fiction prize. At each year's dinner Caine would rise and make a speech. Some chairmen, with a stammer as bad as Caine's, would have asked a fellow director to deputise. Caine, however, persevered year after year, to the enormous admiration of his audience.

In 1969 founding a literary prize seemed an unlikely venture for a public company that as a colonial business at one time accounted for around 35 per cent of the gross domestic product of what was British Guiana (now Guyana). But in the early 1960s the company, in the process of re-inventing itself as a UK-based conglomerate in



Caine: benevolent autocrat of the Booker Prize UPPA

ry at Lincoln College, and a post-graduate year at George Washington University in the United States, Michael Caine chose a business career at Booker: he was an intellectual. A Booker director from 1964, 12 years after he joined, he totally approved of the notion that had been put to the Booker board, that Britain deserved a literary prize as prestigious and as influential as the French Prix Goncourt. With Booker making a substantial return from its authors' division, might it not return a little of its profit by way of sponsorship?

If he was disappointed that in its early years the "Booker" failed to take off in public perception, he never lost heart. Some ugly publicity in 1972 when that year's winner, John Berger, not only accused Booker of exploiting colonial labour in the West Indies, but chose to give half his £5,000 prize money to the Black Panther movement, did not prevent Caine (by now Booker's chief executive) from renewing the company's sponsorship after its initial seven years, even though there were fellow Booker directors who thought the investment was not doing the firm any good.

Caine's faith was soon to be fully

justified. In 1980 the Booker at last made front-page news when it was portrayed as a battle royal between two literary heavyweights on the shortlist, William Golding and Anthony Burgess. After that there was no looking back. Caine watched with pride as the prize finally achieved its original aim of recognising artistic achievement while encouraging wider readership of the best in literary fiction.

The prize also gained Booker a level of corporate publicity that rapidly became the envy of its rivals, although Caine never encouraged Booker to cash in on the column inches. Some managers would have used such heightened awareness to develop not just the company's businesses, but in particular to market the Booker name. Caine preferred to see sponsorship fulfilling the vision of his first boss, Jock Campbell, that corporations have wider responsibilities than the pursuit alone of profit.

In 1992, with the support of the British Council, Caine gave the Booker imprint to a Russian novel prize. Commercially he could justify this expansion by citing Booker's business interests in the country, but he also confessed a lifelong

admiration for Dostoevsky, Pushkin and Gogol. One felt that he hoped that a Russian Booker might find a late-20th-century equivalent.

On his retirement Caine only handed over the chairmanship of the prize management committee with some reluctance. It was a field on which he had ruled as a benevolent autocrat. At each meeting he would listen to the views of committee members on how the prize should be conducted, but invariably his own judgements prevailed. And with the standing of the Booker Prize as high today as it has ever been, who's to deny that more often than not he got it right?

ION TREWIN

*Michael Harris Caine, businessman; born Hong Kong 17 June 1927; director, Booker Bros McConnell & Co (later Booker plc) 1964-93, vice-chairman 1973-79, chief executive 1975-84, chairman 1979-83; Kt 1988; President, Royal African Society 1996-99; married 1952 Janice Mercer (one son, one daughter; marriage dissolved 1987), 1987 Emma Nicholson (created 1997 Baroness Nicholson of Winterbourne); died London 20 March 1999.*

## Michael St Clair

**AN IMPROBABLY**, peculiarly small number of art dealers have also worked as practising artists, yet Michael St Clair was remarkable in more ways than just this. He had seriously pursued painting for some 25 years before becoming a dealer but he was also a highly decorated war hero and single-handed saviour of several 20th-century American artistic careers.

He was perhaps best known for reviving and restoring the reputation of Marsden Hartley, turning the painter from an obscure regional figure into a household name, but St Clair's gentlemanly discretion ensured that many other of his achievements went unheralded. Indeed, his companion of more than 50 years, Paul M. Jones, only discovered that St Clair had won the Silver Star and three Bronze Stars for bravery during battle in

Italy in 1943 whilst reading his friend's obituary.

St Clair was a man of few words, perfect formal tailoring and exquisite manners, whose knowledge of this century's American art was outstanding. It was a history he helped to shape. Born in 1913, he grew up in the oilfields of Pennsylvania and Oklahoma and started painting at 18, enrolling in 1924 for classes with Thomas Hart Benton at the Kansas City Art Institute. Another of Benton's pupils was Jackson Pollock, whom St Clair knew, though St Clair was precisely as patrician as Pollock was Bohemian.

St Clair then moved to Manhattan and studied with George Gross at the Art Students' League, followed by the Colorado Springs Art Centre. He was involved in the WPA (Works Project Administration) in Okla-

homa City where he had his only solo show in 1942. Enlisting with the 320th Fighter Squadron, he saw active service in Europe and northern Africa but returned to New York to continue his career as a painter.

This lasted until 1959 when he came to the Babcock Gallery, which since 1952 has dealt exclusively in American art.

Starting as a director, St Clair bought the gallery and the same year took over the Marsden Hartley estate, a truckload of paintings brought down from rural Maine. He immediately put on a show, the first of 11 exhibitions in the next 20 years that transformed the appreciation of Hartley in every sense, financially as well as critically.

St Clair placed Hartley works with 70 museums, not to mention the retrospective at the Whitney Museum

of American Art in New York in 1978, the first major museum show for Hartley in 30 years. As John Driscoll, who bought the Babcock Gallery in 1988, puts it, "Nobody in this century did more to keep Hartley's name in front of the public, and that alone is a major accomplishment. Hartley was fortunate to have someone like Michael come along."

As well as Hartley, St Clair also built a following for such relatively neglected painters as Childe Hassam, Ambrose Webster, George Innes and Alfred Maurer, who was known as "the first modern American artist" and whose bizarre warfare with his father, a traditionalist artist, ended with his father's death at the age of 100 and Maurer's subsequent suicide when he realised he could not live without so bitter an enemy. St Clair was also an acknowledged expert on the ever-

mysterious Albert Pinkham Ryder, having gathered incomparable records about his scarce works. But during nearly 30 years of running the Babcock Gallery, St Clair

also showed contemporary artists, especially if their names began with "E", such as Bessie Boris, Ben Ben and Byron Burford, who represented America at the Venice Biennale in 1968. He also exhibited the work of the eccentric railroad heir Jerome Hill and the constructivist modernist Stephen Edlich. When he sold the gallery, St Clair remained very much part of its operations and aesthetic, as its active éminence grise. Last year he established the Babcock Galleries Endowed Fund for Art History at Pennsylvania State University.

As a salesman St Clair managed to be elegantly taciturn and as rigorous as any academic, refusing to lower or debate his stated price, like an old-fashioned gentleman dealer. Equally quaint, most of what he sold also belonged to him personally: works he would take home to live

with, although he did not collect.

Greta Garbo used to come into the gallery to enjoy his erudite explanations, and he was mortified when one day she suddenly fell to her knees to examine paintings he had propped against the wall, before he had had time to hang them or stop her.

As St Clair was expert at tracking down the scattered works of neglected artists, perhaps the only remaining question is where his own œuvre, a quarter of a century's worth of paintings, might be found today. In his gracious apartment on East 74th Street, only one very small landscape signed Michael St Clair was to be seen.

ADRIAN DANNATT

*Michael St Clair, art dealer and artist; born Bradford, Pennsylvania 28 May 1912; died New York 22 February 1999.*

## Milosz Magin

**DEATH SOMETIMES** has an awful sense of timing: the heart attack that felled the Polish-French composer and pianist Milosz Magin, who was visiting Tahiti to give a recital, did so only the week before the seventh Milosz Magin International Piano Competition, a biennial event he founded in 1985.

That impulse was typical of Magin: he thought that the rash of piano competitions spreading over the face of music was generating an unhealthy obsession with technique, and so he simply founded his own event, with the contrasting aim of emphasising musicality – technique mattered, of course (and Magin's own technique was breathtaking), but it was second in importance to a natural sympathy with the music. And musicality was as manifest in his own playing as it is in the healthy corpus of music he has left behind.

Magin was born in Lodz in Poland in 1929. At the Warsaw Conservatory he studied piano, under Margerita Trombińska-Kasuro and took composition lessons from Jan Makkiewicz and Kazimierz Sikorski, teacher of many of the leaders of the next generation of Polish composers – Grażyna Bacewicz, Andrzej Panufnik and Kazimierz Serocki were also Sikorski's students. Magin graduated in 1957, with prizes in both piano and composition.

In spite of his local celebrity, Magin resented the restrictions placed on him by the Communists – most of his concertising was restricted to Poland and Russia. In the year of his graduation he entered the Vienna da Mota piano competition in Lisbon, where he carried off the laurels (as also from the Chopin Competition in Warsaw) and the Concours Long-Thibaud in Paris.

That gave him the chance he was waiting for; his wife, Idalia Skoniecka, also a pianist, then likewise applied for permission to travel abroad. The authorities never normally let the two halves of a family out at the same time, but fortunately in the same time, and all feeling lost in one of his fingers. Nothing daunted – perhaps because he had once met a gypsy in Poland who told him he would recover from a serious accident – he fought his way back to fitness, encouraged by the mime Marcel Marceau. By 1968 Magin had so much regained his previous form that he was able to record, for Decca, the complete works of Dececa – a set that received considerable critical acclaim at the time and is now scheduled for reissue on CD. He was also a conductor and competent performer on both violin and cello.

Magin's imposing, slightly formal exterior hid a ready sense of humor and a selfless concern for other musicians. He was especially preoccupied with the well-being – musical and personal – of younger players: to see the parade of eager, undersized performers from Eastern Europe taking the stage at the Magin competitions was a heart-warming experience. Without the support he galvanised, these youngsters – some of them only eight or nine years old – would never have been able to afford the trip to Paris, and they plainly loved the experience.

Hardly surprisingly, he was a solicitous teacher. The French pianist Isabelle Oehmichen, for whom Magin wrote his Third Sonata, who has played more of his music than anyone else, describes his teaching thus:

labeled Marcial plans to record Oehmichen in the Second Concerto and Third Sonata.

Almost all of Magin's music underlines the importance to him of his Polish heritage. Exiled in Paris, Magin missed his home country less than did Chopin in exactly the same position 150 years earlier, and the memory animates the music of both men. It is fitting, then, that Magin will be buried next to Chopin's tomb in Père Lachaise. Magin should have been one of the big international virtuosos; with luck, his music will carry his name around the world for him.

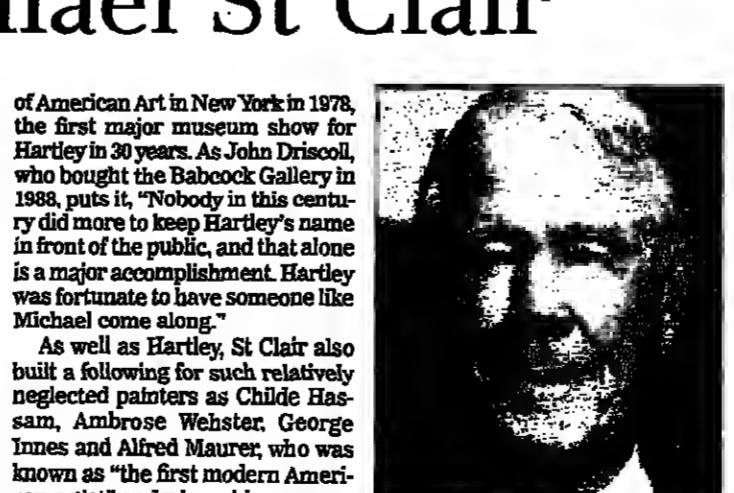
MARTIN ANDERSON

*Milosz Magin, composer and pianist; born Lodz, Poland 6 July 1929; married 1952 Idalia Skoniecka (two daughters); died Bora-Bora, Tahiti 4 March 1999.*



Polish heritage: Magin drawn two weeks before his death by his daughter Margot

Luis



St Clair: gentleman dealer

mysterious Albert Pinkham Ryder, having gathered incomparable records about his scarce works.

But during nearly 30 years of running the Babcock Gallery, St Clair



# You ask the questions

(Such as: drugs tsar Keith Hellawell, what would you do if you discovered your children were smoking dope?)

**K**eith Hellawell, 56, started his working life as a coal miner before joining Huddersfield Borough Police. During his 36-year career in the police service he was awarded the Queen's Police Medal for Distinguished Service in 1990, rising through the ranks to become Chief Constable of West Yorkshire Police in 1993. In January 1998 he took up his current position as UK Anti-drugs Co-ordinator charged with co-ordinating an anti-drugs strategy across 110 government drug-action teams.

**Do you believe that prostitution is linked to drugs?**  
Unfortunately, yes, many young women are prostituting themselves to feed their drug habit, some from very early teens. Street agencies estimate that more than half of the "working women" have a serious drug misuse problem and that their work and drug misuse are inexorably linked. I have spoken out against describing the most vulnerable as prostitutes, as I regard them as victims and not offenders.

**If you believe that locking drug dealers up is not a solution, how do you propose to punish them?**

I do believe that drug dealers ought to be locked up, many of them for a considerable period of time. However, many people are dealing drugs to feed their own drug habit, and I consider that where their criminality is caused by addiction they must be treated as well if we are to reduce long-term criminality. Treatment and enforcement, not treatment or enforcement is where I stand.

**Do you have children? What would you do if you discovered they were taking drugs?**

Three children, six grandchildren. Fortunately none have been involved, partly because we have discussed the issue with them from a very young age. If they had, however, I would have discussed the subject with them as passionately as I could, and were they addicted, seek help from our GP or a specialist drug service such as the National Drugs Helpline (0800 776600).

**Do you despise drug users and dealers? If not, what do you feel towards them?**  
I have a repugnance for dealers who are happy to benefit from the misery of others. Many are extremely cruel people who subject their clients to violence. Addicts often sell drugs themselves in order to pay for their habits and avoid violence at the hands of their suppliers. There are many categories of users. There are those with



**David Rose**  
Do you find that your former colleagues are supportive of your current role, or are they jealous?

They are supportive. Many encouraged me to apply for this job as I had represented their views on drugs for a number of years. However, the police service is a competitive profession and I suspect it will not be immune from jealousies, which will undoubtedly include me.

**What do you think of Amsterdam's answer to their drug problem?**

It's not really an answer. They describe the Drug Cafés as an experiment, one with which they are having problems. Over-the-counter, take-away purchases of small quantities of cannabis, particularly for use in other countries, has led the Dutch government to harden its policy. Their policy of tolerating possession for personal use is also being severely stretched by the café owners who hold large amounts. Their suppliers, who are major dealers, use Holland as a base for their international activity with some impunity.

The government believes it is giving out the wrong message to young people about Ecstasy (ie that it is safe and it is not a criminal offence to take the drug). In future, information about the damaging effects of the drug will be handed out if and when pills are tested. Their treatment programmes for heroin users are having a very positive effect in reducing the number of addicts.

**Questions submitted by:**  
*Elizabeth Goddard, Norwich  
Steve Menary, Kent, London  
Sean Lynam, Highgate, London  
Colin Muir, Ipswich  
Naomi Wilkes, Reigate  
Francesca Latham, Northallerton, North Yorkshire*

## NEXT WEEK

TREVOR McDONALD,  
FOLLOWED BY GRIFF  
RHYS JONES



SEND questions for Britain's favourite newscaster Trevor McDonald, and for the actor and comedian Griff Rhys Jones, to: You Ask the Questions, Features, The Independent, 1 Canada Square, London E14 5DL (fax 0171-293 2182, or e-mail yourquestions@independent.co.uk), by 12 noon on Friday 26 March.

## We may not have a nation but at least we have a TV station

Thirty-five million Kurds may not have a country, but they do have a television station.  
Except that the ITC is closing it down after pressure from Turkey. By Philipp Blom

AT FIRST glance, Hikmet Tabak looks like any other London media executive. Dressed in a dark suit with blue shirt and designer tie, his mobile phone never far from his hand, the 38-year-old director of the Kurdish station MedTV is the very image of the elegant urbane.

"Before we began broadcasting," he says "only smugglers brought news from one Kurdish community to the next. The Kurds were told that they didn't exist, that their culture was worthless. Now they can hear their own language, listen to their own music."

On Sunday, Mr Tabak and his colleagues at the station celebrated the Kurdish new year. MedTV had managed to survive another year despite Turkish opposition, creating a virtual Kurdish nation for its 16 million viewers throughout Europe, the Middle East and North Africa.

But on Monday, Turkish television reported that the channel was due to be closed at 4pm. The Independent Television Commission (ITC) had decided to suspend the station's broadcasting licence for 21 days for breaches of impartiality and incitement to violence following coverage of the capture of Abdullah Ocalan, the leader of the Kurdish Workers' Party (PKK).

A few days earlier, I had visited the cultural capital of Kurdistan: Denderleew, 20 miles from Brussels. Here, on an industrial estate, are the studios of MedTV, broadcasting via satellite 18 hours daily of Kurdish news, features, music, discussion programmes and religious debates. It is the voice



Some 16 million Kurds are thought to tune in to MedTV regularly. *Magali Delporte*

of a country that, according to Turkey, does not even exist.

The station is run on an annual budget of £10m. The wobbly-looking set for the daily phone-in, *Good Morning Kurdistan*, is very much in Middle Eastern taste, with little porcelain figures in display cases, wallpaper simulated by dabs of paint, rattan furniture, and book-spines painted on wood.

It is a living-room for the thousands who phone in from the Anatolian mountains, Syria, northern Iraq and Europe.

The Kurds are not only one of the oldest cultures; they also, with their 35 million members, make up the largest stateless nation in the world. They trace their roots back to the Medes, an ancient civilisation

which lends MedTV its name.

In Turkey, watching the station amounts to an act of rebellion. Satellite dishes are impounded and shot at by the authorities; viewers are threatened with prison. Despite all

**The Kurds are the world's largest stateless nation**

this, or because of it, MedTV has an almost religious following. Sixteen million people are said to watch the station regularly.

Since MedTV went on air in 1995, Turkey has tried to stop

the station did not contrast these calls with other views. In the months leading up to the ITC's decision, the station has been warned and fined for failing to ensure the impartiality of its reporting.

But, says Mr Tabak: "It is almost impossible to present impartial news coverage if Turkish officials refuse invitations to appear on the programmes. Our opponents are working to Middle Eastern rules, but we have to abide by British standards."

For those working at MedTV, journalism is an act of cultural self-assertion which is often bought at a huge price. Everyone has friends and family members who have been threatened or killed.

Mr Tabak, the son of mountain farmers, became involved in demonstrations for Kurdish rights and culture while he was at school. In 1978, then 18, he was arrested as a "troublemaker" and tortured by the Turkish authorities. He was released 11 years later. The only conviction he received was a three-year sentence for saying in court that he was Kurdish.

When I visited the studios of MedTV, images of corpses and women in shock and mourning were flickering across multiple screens, accompanied by elegiac music.

"Today is the anniversary of a terrible day," explained one of the journalists working there. "On 16 March 1988, 5,000 Kurds were gassed by Saddam Hussein in south Kurdistan. We have lost so much. But we do have MedTV. We can at least speak our language here."

It from broadcasting. The station is dubbed "PKK TV" and is accused of being funded by organised crime, and of supporting terrorism. Its satellite signal has been jammed from a Turkish source and broadcasting deals have been revoked after pressure from Turkey. That country has also lobbied the British Government and the ITC to close the station, which is administratively based in London.

The ITC objected to the screening of interviews with PKK activists, who call on the Kurds to rise against Turkey and declare a state of war. The rebel movement's beligerent hyperbole sits uneasily with Western standards of journalism, especially as

it from broadcasting. The station did not contrast these calls with other views. In the months leading up to the ITC's decision, the station has been warned and fined for failing to ensure the impartiality of its reporting.

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## THE IRRITATIONS OF MODERN LIFE

34. PEDESTRIANS BY STEVE JELBERT

MANY YEARS ago, long before *Crimewatch UK* warned viewers to be aware of strangers seeking lifts, a sign stood beside the southbound M5 lane at Taunton which delighted generations of hitchhikers aiming for the legendary flesh-pots of the South-west (and Newquay).

A simple white-on-red rectangle reading "Pedestrians - Look Right!" had been amended over the years with the phrases "Feel Right" and "Outasight!"

Dead right, because pedestrians need a bit of levelling up. Who are these people, presumably capable of using cutlery without wounding themselves, that find the task of, well, walking, beyond them?

Anyone who has ever had to hurry through a busy British high street - possibly to collect a vital legal document, or perhaps a human organ for transplant purposes - will be reminded of that cheap Brownian Motion experiment taught in school science lessons, where the random movement of particles is observed.

I have to declare an interest here. As an urban cyclist, sporting a T-shirt that proudly declares "I AIM FOR PEDS", I'm acutely aware of potential hazards - like the git who walked straight into the road, and me, in Balham last year. (He got a mouthful, I got concussed.)

Ten thousand London cabbies could and will tell you that non-commercial traffic is banned from Oxford Street mainly because only highly trained drivers what have done. The Knowledge possess the sharp responses necessary



Could you walk a little faster...? *TB*

programme included regulations such as "These people must walk in single file"; "All joggers must wear underwear", and "No stopping while walking except when in the shopping lane". Predictably the media, including CNN, fell for it, yet the natives canvassed happily signed a petition in support.

Even the very word has negative connotations. Think of pedestrian books, or movies, records, websites even. A "pedestrian protest" hardly evokes images of happy ramblers seeking roaming rights. No, it brings to mind clueless, shuffling humanity, all creeping along half-heartedly in the same general direction.

A muddy Glastonbury Festival, in fact.

Oddly, international guidebooks generally suggest that striding purposefully will enable the streetwise visitor to pass for a local anywhere. Until clothing featuring indicators is perfected, perhaps our only hope is to be surrounded by sightseers trying to fit in.

Of course, if you need to ask for directions you'll be stuck, but that's another irritation entirely.

S  
do if you  
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Do you find that your former colleagues are supportive of your current role? They are supportive. Many encourage their views on dress for a number of reasons. However, the police service is a conservative profession and I suspect it will remain immune from pronouncements which will doubtless include me.

What do you think of Amsterdam's answer to their drug problem? It's not really an answer. They describe Drug Cafes as an experiment, one which they are having problems with. Counter, take-away purchasers of small quantities of cannabis, particularly those used in other countries, has led the government to banish its policy. There is also being severely stretched by dealers who hold large amounts. These dealers, who are major dealers, use these as a base for their international activity.

The government believes it is giving the wrong message to young people. Easier for them to take the drug. Information about the damaging effects of drug will be handed out if and when they are tested. Their treatment programme for heroin users are having a very positive effect in reducing the number of users.

Questions submitted by Elizabeth Gifford, Norwich; Steve Murphy, West London; Steven Lomax, Highgate, London; Colin Murray, Lancashire; Victoria Johnson, Birmingham; and Patricia Gilligan, Northallerton, North Yorkshire.

#### NEXT WEEK

DIAVOLI DONALD  
TOM FORD IN GRIM  
REIN TONK



Uma Thurman, rumoured to be wearing several other designers, finally emerged in Chanel couture



Emily Watson's chic, headed grey number was a bit too similar to Meryl Streep's for comfort...



Judi Dench in coat and dress by Abu Jani and Sandeep Khosla. She wisely avoided the full-length look



Jennifer Lopez ignored this year's no-black policy. Strapless was the way to go for gorgeousness



Meryl Streep in grey (no longer the new black). The workmanship simply sighs Valentine. Beautiful



Celine Dion in back-to-front Dior couture. Very modern: the tux is a good alternative to the cream puff



Madonna, in Atelier Versace, has another great new look. The tunic and trousers are subtly elegant



Rachel Griffiths outwitted her 'Hilary and Jackie' co-star, Emily Watson, in this clinging pink gown



Minnie Driver could take a leaf out of Madonna's book. Her top takes deconstruction one step too far



Catherine Zeta-Jones opted for jewel colours and cut a dash in this ruby-red Versace couture creation



Cate Blanchett (left) and Gwyneth Paltrow look sublime in black John Galliano and pink Ralph Lauren



Liv Tyler chose dusty lilac over pink (the colour of the Oscar season) and looks less sugary for it

On Oscar night, clothes really can make the woman. (And, in some cases, her career.) By Christa Worthington

**S**ometimes in the last decade, Hollywood and fashion discovered that, like Fred Astaire and Ginger Rogers, they could flatter each other on camera. As a result, the red carpet of the televised Academy Awards ceremony has become the world's most watched fashion runway, and the winner is increasingly the best dressed.

In the old days – pre-1990 – you could watch the Oscars for the entertainment value of the fashion disasters – the occasional excesses of soul displayed by those dashy stars who were uninhibited by the international codes of good taste. LA was still a regional outpost as far as fashion was concerned, and the guidance of the studio costume designer had gradually disappeared. Barbara Streisand in the early Seventies could wear transparent Arnold Scaasi lounge pyjamas. Liz Taylor could be teased, squeezed and baulked. Raquel Welch could appear in a royal-blue sequined cat suit (1978). And still there was no mistaking that they were stars.

Now, movie stars look more like fashion models, all lined up in pretty, satin slip dresses or this season's pale-pink ballerina gown. A certain sameness and predictability, however glossy and globally authorised, has set in. Under the heightened scrutiny of more and more cameras, no one can afford to be laughed at – a fear that has fuelled the booming career of 'stylists', costume designers and personal dressers to the stars, many of whom have in recent years become minor celebrities themselves.

"It's elegant and fashionable but not directional," observes Valerie Steele, curator of the museum of the Fashion Institute of Technology in New York, about Oscar-night fashion. "In the last six or seven years, so many actors have been put into the hands of stylists that they have acquired a 'fashionista' appearance. It has to do with a blurring between actresses and fashion models. In the early Nineties, models were hot; by the mid- to late-Nineties, they were losing ground to the actresses who were colonising magazine covers and being styled like models, but with curvier bodies and more idiosyncratic faces."

And it's not just at the Oscars – at the Emmys, the MTV music video awards and the Golden Globes, too, clothes are increasingly becoming the focus of entertainment.

"Actors and actresses in general don't normally have a lot of interest in fashion. Historically they haven't," says Steele. "They just dress for their roles. It's because fashion has become so 'fashionable' that you started to see famous actors in the front row at the Versace and Armani shows. The designers immediately realised that they got free publicity. The actresses got credit for being stylish as well as glamorous; and the designers for being glamorous as well as stylish."

For actors, fashion is serious. In the right "press dress", even a lesser-known can score a globally distributed photograph and make a brilliant career move. Elizabeth Hurley's evening out in Gianni Versace's safety-pin dress is one stellar example of the clothes making the star.

In the Hollywood fashion calendar, there are press junkets to attire, accessories and make up, chat-show appearances and film promotion tours, all of which are co-ordinated by professional stylists. Fashion and Hollywood trends are not always in sync,

# 'I'm ready for my close-up...'

however. Stylists have to come up with clothes that perform well on camera, move freely, won't wrinkle in the limousine, and come in textures and colours that flatter the wearer under strong lights. Just as importantly, they have to translate the often confusing extremes of fashion into something readily understandable to middle America.

"Hollywood likes sexy, tight, fitted clothes. There was a time when nude was a popular colour for fashion, but it's not good for TV," says Susan Ashcroft, whose company, Film Fashion, represents Escada and other labels on the West Coast.

"Then fashion had its gay period, which is not a frequently requested colour in Hollywood. Now people are into jewel tones and muted pastels – camera-friendly colours."

In America, the Awards has become the second most-watched show after the Superbowl. This time around, they mimicked that sports event with a new

Sunday time-slot and Oscar equivalents of the pre-and post-game wrap-up.

Phillip Bloch, who early on styled numerous stars for the Oscar ceremony, and gave the red-carpet fashion commentary for CNN and ABC, says the fashion mission at the Academy Awards this year was to make actresses "look like every little girl's dream of 'when I grow up I want to be a movie star'".

In designing the dream, stylists can either flop or score. In 1998, the stylist Jessica Paster launched Randolph Duke's career when she put Minnie Driver into the ruby-red jersey dress he had designed for the Halston label, but fellow stylist Arlene Phillips was not universally acclaimed for Madonna's black silk halter and dove-grey tulip outfit, a combination of Olivier Theyskens and Jean Paul Gaultier.

"It's become a war of stylists," says the costume designer Barbara Tfank about the competition around the Oscars. Tfank customised the look of

Uma Thurman in her hugely successful lilac Prada 'Pulp Fiction' dress of 1995, considered a fashion triumph for being unexpected (Prada was not known for evening clothes) and quietly glamorous. (The dress was recently auctioned at Christie's Unforgettable: Fashion of the Oscars sale of dresses to benefit AIDS research – it sold for \$9,200.)

This year's most stylish and muse-like nominees – Gwyneth Paltrow and Cate Blanchett – were wowed by several designers at once and, as is customary, they had more than one Oscar-night outfit prepared for them. In 1998, instead of wearing the dress Vera Wang had designed for her Sharon Stone famously showed up in a plain black Gap T-shirt paired with a trumpet skirt by Valentino and a silk Armani coat, which she herself had put together at the last minute – a star's prerogative.

Getting their clothes in front of the Oscar-night cameras may be worth \$1m worth of advertising –

the cost of a 30-second spot on the show – but the designers have paid in other ways, throughout the year, for that privilege.

A West Coast infrastructure of publicists and representatives, planted by European designers, now cultivates actors' and stylists' attention to ensure product placement. Designers spend as much as \$400,000-\$600,000, according to Patrick McCarthy, editorial director of *W* magazine, making Oscar-potential clothes available for viewing and borrowing for the big night. Valentino, Calvin Klein and Escada, among others, customise gowns for stars – now a prerequisite for Awards nominees.

Los Angeles did not become a fashion destination until the late Eighties, when Giorgio Armani stealthily launched a coup on Hollywood. By then, fashion designers born of the ready-to-wear boom in the Seventies had acquired enough financial clout and star status of their own to play Hollywood's game. Leaving nothing to chance as he built up a West Coast retail operation, Armani cultivated the right social contacts by hiring Wanda McDaniel, the wife of a producer on *The Godfather*, as his publicist. She remains the linchpin of his West Coast operation. His *Godfather* connection dates from 1982, when Jay Cox, a childhood friend of Martin Scorsese and Robert De Niro, wrote a *Time* magazine cover story on Armani; subsequently all these people became friends.

More seductive than his personal charms, however, Armani's clothes made actors offer they couldn't refuse: they promised to keep the wearer from looking ridiculous. As a result, he maintained a monopoly on costuming the Oscar presenters for a while – until Versace, Dolce & Gabbana et al gained some ground.

Simultaneous to Armani's beachhead, Alan Carr, then the producer of the Awards ceremony, decided that the show could do with a fashion make-over. Eleven years ago he asked Fred Hayman, retailer of the recently defunct emporium Fred Hayman of Beverly Hills, and creator of Giorgio perfume, to select Oscar-worthy clothes from European and American collections and make them available on loan to presenters and nominees. At the time, says Hayman, "the fashion being worn was boring and demeaning to the Oscars". Hayman is still the official co-ordinator of Oscar fashion, even if he has now become somewhat eclipsed by the star designers and their media machinery, and he continues to stage a large, pre-Oscar fashion show for the press, and to display and lend clothes to presenters and nominees. This year he attempted to ban black in favour of "princess" pastel tones.

The object is to look like a confection that the camera could devour – with tulle underskirts and shoulder wraps, ballerina skirts, beaded tops and delicate colours. The trouble with the new prettiness, say fashion-lovers, is that it doesn't allow for extremes. Rita Watnick, owner of the vintage couture shop Lily et Cie, where stars often shop for the Oscars and other awards events, observes: "Sometimes when you look back, the person you thought was not well-dressed may have looked great and been trying something fabulous." Criticised for wearing cycling shorts one year, beneath a black velvet bustier and skirt, Demi Moore was apparently making a statement in fashion-speak, "inspired from the Renaissance and empire period. It was fabulous," Watnick says. Entertainment, yes – but the media just wasn't ready for it.



Minnie Driver, 1998. Stylist Jessica Paster scored with this ruby-red jersey Halston dress



Uma Thurman, 1995. A hit Prada as evening-wear proved to be perfectly understated



Madonna, 1988, in a Jean Paul Gaultier skirt and an Olivier Theyskens top. A designer clash



Barbra Streisand. Back in the 1970s, a girl could get away with transparent pyjamas. Fabulous



# Why Irish culture leads by a head

**In just a few decades Ireland, once almost a byword for parochialism, has become a world-beating brand name in contemporary music, film, theatre, comedy and literature. How did this happen? By Phil Johnson**

**O**n the Saturday before last, more than 250,000 people filled Dublin's city centre for what was billed as Europe's biggest ever fireworks display. The event, which was part of the city's week-long St Patrick's Festival and followed on from a grand unveiling of the Millennium Big Drum (the biggest drum in the world), could be seen as a moment of triumphalism for Irish culture. In Ireland these days, however, triumphalism is hard to avoid, for signs of the country's cultural resurgence are everywhere.

After the fireworks, revellers could go home and watch an RTE broadcast of the chart-topping Irish pop group The Corrs at the Albert Hall, or stop off at one of the dozens of city centre pubs that feature traditional music. In the teeming bars of the Temple Bar district - which locals say is being ruined by the incursions of rowdy English stag-parties - Dublin has even created its own version of New Orleans' French Quarter where tourists can enjoy a kind of Celtic theme-park experience.

The incredible success of The Corrs - whose second album has sold more than three million copies in the UK alone, and pulled their debut recording into the charts along with it - is just the latest chapter in the remarkable story of Irish popular music's rise to international fame. For two decades now, from U2 to Boyzone, with the Cranberries fitting in between, a small country whose pop traditions once amounted to little more than a baffling weakness for showbands has become a world leader.

Add to this the revival of all things Celtic, including "traditional" music in various forms, the *Riverdance* phenomenon and the continued success of Irish film-making, comedy, literature and theatre, and the swaggering confidence of the St Patrick's Festival can begin to be understood. Even without considering the dubious benefits of the Irish theme-pub craze, where putting a bran-tub in the window and having a couple of workday musicians sing "Brown-Eyed Girl" every other night is suf-



The luck of the Irish: Father Ted and The Corrs



ficient to create a mythic version of a County Clare hostelry; there's no denying that all things Irish have become more popular than ever before in the UK and abroad. Despite this success, there are still murmurs of dissatisfaction at home. On the same day as the fireworks show, Dublin's Evening Herald newspaper included a front-page story complaining that the contenders for the Irish entry in this year's Eurovision Song Contest were not up to scratch. There were accusations that RTE was deliberately staging a "pathetic" EuroSong because the station did not want to win yet again.

It's against this background that "From the Heart", the Barbican Centre's second festival of Irish music and culture, takes place. Over the next two weekends there are concerts and events covering music, dance, literature, comedy and film, together with a series of workshops and lectures. Its focus has also widened to include the traditions of Northern Ireland, with Seamus Heaney reading his poetry (accompanied by the uilleann piper Liam O'Flynn), and songs and stories from the legendary folk-revivalist Tommy Makem with Davy Hammond and Artie McGlynn.

For Ted Barrington, Ireland's Ambassador to Great Britain, the reasons behind the rise of Irish music and culture are many and varied. "On the musical front, a complex of things have contributed to international success," he says. "On the one hand, there's a long, vernacular tradition of music in Irish life, and not just

in highbrow life, but in the day-to-day practice of music at home and in local communities. The influence of Irish traditional music also fed into the culture in the Sixties, along with the examples of American musicians like Bob Dylan, and the indigenous showband scene, which was a rural phenomenon. The cross-fertilisation between all these categories has been huge and important."

Contemporary Irish music also reflects widespread changes in Irish society, where half of the population is now under 30, and almost a third under 25. "The degree of social change taking place, partly through demography, has meant that along with youth culture has come a climate of experimentation and the working-out of ideas about what it means to live in Ireland today," says Barrington. "In the Seventies and Eighties, there was a huge outflow of emigrants, but now more people are returning than leaving, especially from the USA and Canada, and they bring an international pop culture back with them."

For the social historian Reg Hall, however, Irish music isn't what it was. Hall is giving an illustrated lecture at the Barbican on Saturday entitled "Paddy in the Smoke", which will look at the heyday of Irish music in London in the Fifties and Sixties. "The music in the pub scene of London then was a transplantation of rural music from the West of Ireland, and it began after the war as a new phenomenon, for traditional music was never

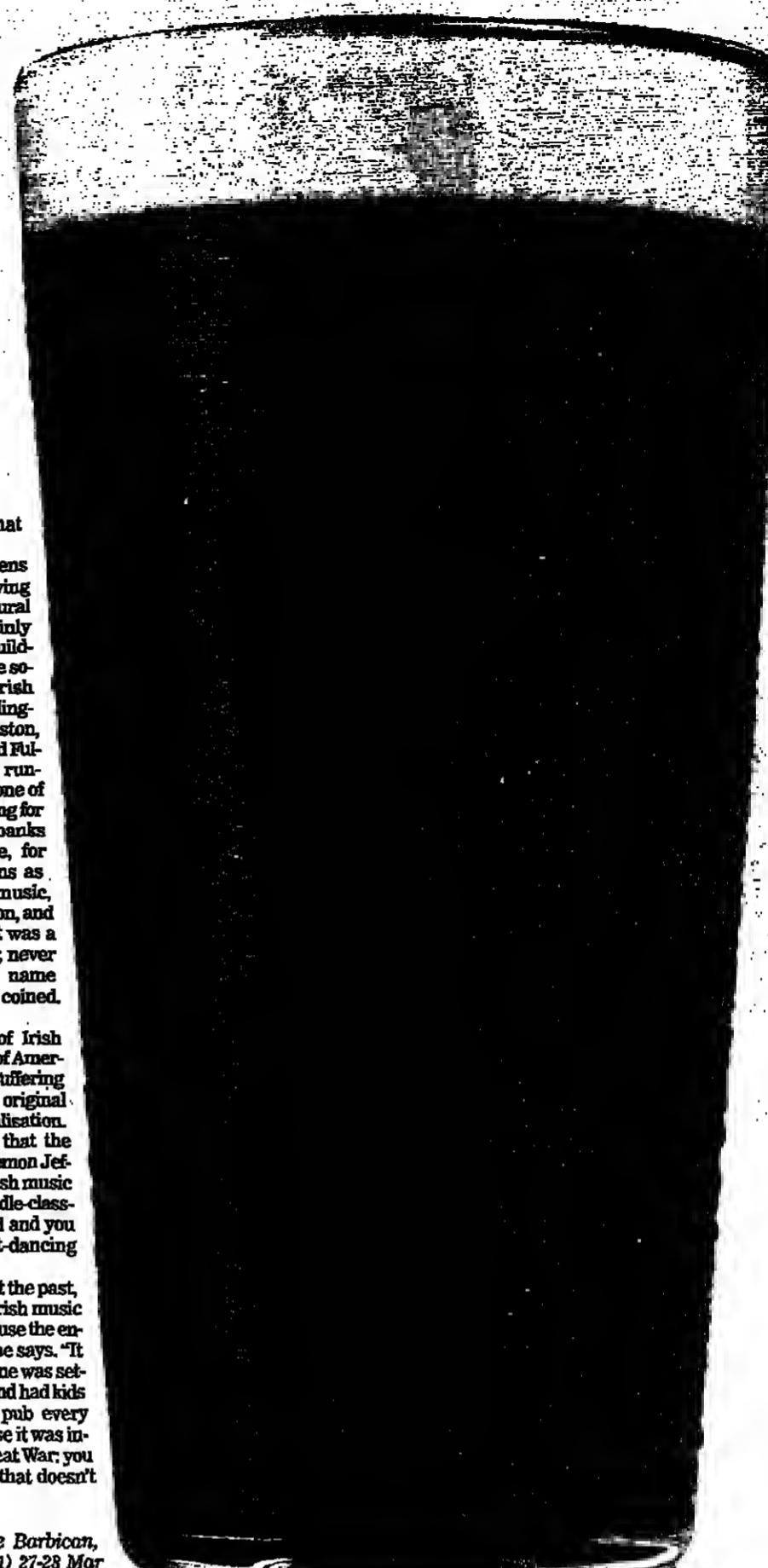
played in Irish pubs at that time," Hall says.

"What you had then was tens of thousands of Irishmen living in London, mostly from the rural West and South. As mainly labourers working on the building sites, they evolved a whole social system in the Irish settlements of Kilburn, Paddington, Kentish Town and Dalston, and also in Hammersmith and Fulham, where they colonised rundown pubs. In those days, none of the Irish professionals working for Aer Lingus or the Irish banks would be seen dead there, for they regarded the musicians as loud. It was instrumental music, with fiddle, flute and accordion, and piano and drums added if it was a dance. There was no guitar, never mind a bouzouki, and the name "bodhran" hadn't even been coined. It was still a tambourine."

Contemporary Irish music is comparable to that of American blues, with both forms suffering a similar dilution of their original power through commercialisation. "The original gutsy music that the Irish played was like Blind Lemon Jefferson or Leadbelly. Now, Irish music has been taken up by the middle-class both at home and abroad and you can even go to Irish set-dancing holidays in Spain."

Hall is not nostalgic about the past, however. "The tradition of Irish music in London has been lost because the environment for it has gone," he says. "It couldn't survive once everyone was settled in houses, got married and had kids and stopped going to the pub every night. As a historian, I realise it was inevitable, and it's like the Great War: you might want to study it, but that doesn't mean you want it back."

From the Heart is at the Barbican, London EC2 (0171-638 8891) 27-28 Mar and 3-5 Apr



## Feed me till I want no more

### OPERA

HANSEL & GRETEL  
NEW THEATRE  
CARDIFF

森林和巫师，继母和(至少在Humperdinck的歌剧)天使。但主要是关于食物和烹饪——Hausel可能与Oliver Twist as the hungry boy since the prodigal son. So Richard Jones is bang right to fetishise chefs and tables and plates, and above all, mouths, in his production of Welsh National Opera.

He and his designer John Macfarlane make stunning capital out of this perhaps obvious theme. The grey Mother Hubbard emptiness of the family's kitchen triggers off the hungry fantasies of a dream sequence in which the children understandably see cooks and a fish-footman instead of angels, and Humperdinck's cloud-staircase turns into a fully laid dinner table. The drop curtains, a knife, fork and empty blood-

stained plate, and a cavernous open mouth, uttering hut with teeth, form a ghastly prelude to the still hungrier menace of the witch's kitchen — all steel gadgets, and by no means innocent of a quite different sort of physical need.

But if all this is supposed to tell us that starving in a primeval forest is merely a symbol of sexual awakening, the point is mercifully not laboured. On the contrary, Imelda Drumm (Hansel) and Linda Kitchen (Gretel) make a pair of superbly gangly, unself-aware 11-year-olds. They are fresh, awkward, slightly wild in their clapping games and touchingly wide-eyed, as the chef-angels conduct them

to either end of the festive board. And when it comes to cooking supper for the witch — a ghoulishly masculine vestigially paedophile cameo by Nigel Robson, the youngsters are childishly practical, perhaps remembering their mother's admonitions from act one. This dazzling treatment is not without its musical problems. It's as well that the action is self-explanatory, since few words of David Pountney's witty translation reach the dress circle. And though Humperdinck — with his relish for orchestral in-fil and his Wagnerian love of horns and middle-range strings — always challenges vocal projection, the conductor Vladimir Jirouski could do more to ease the problem. In the end a tenor witch is a musical error; since the orchestra covers the register she inhabits.

Nonetheless, this is musi-

cally as well as theatrically an invigorating evening. Kitchen and Drumm — though their names sound like a percussion co-operative — sing with appealing warmth and delicacy, Robert Poultney brings a certain drunken intensity to their father's account of the witch-infested forest, and Mary Lloyd-Davies is a strong mother who one could wish had more to sing.

Mary-Louise Atteo plays the Dew Fairy, a shade modishly as the morning washer-up. The gingerbread man, from the Giant Welsh Comprehensive School, sing sweetly, and Jurkowski has the virtues of his excess strength, getting sumptuous orchestral playing and a solid ensemble.

STEPHEN WALSH  
Birmingham Hippodrome tomorrow (0121-622 7486) and touring to 15 April. Information from WNO (01222 464566)

## Music for six hands

### CLASSICAL

THREE PIANO RECITALS  
WALLACE COLLECTION /  
QUEEN ELIZABETH HALL  
LONDON

TO THE DEBUT recitals at the Wallace Collection this month have featured French pianists. Jean Eiffian Bouyouz on Sunday made a lightweight impression, despite choosing Chopin's B minor Sonata to end. The best thing in it was the way he presented the second subject of the first movement — gracefully and without gush. But throughout the rest, Bouyouz's energy burnt at too low a level to hold one's interest.

Boulez's 12 brief *Notations* — sharply etched miniatures which he wrote in 1945, when he was still in his teens — were much better suited to Bouyouz's character as a player, because he didn't have to delve deep into his soul or sustain a long line.

Alexandre Tharaud was harder to assess last Sunday. He under-estimated the emotional depths beneath the

that plays them, though Tharaud chose the rollicking "Scherzo-valse" to end, so he was pretty sure of a good round of applause.

Not surprisingly, since she's far more experienced than either of the young Frenchmen, Imogen Cooper showed much more complete awareness of the expressive depths, as well as the formal significance, of Schubert's six *Impromptus*. Some pianists would have relaxed into them and projected character more broadly. Yet Tharaud's disciplined view allowed them to be tender and touching and he was quite vigorous, though not very fast, in the penultimate piece.

His programme was nicely planned, not too long, and he ended with four of Chabrier's *pétites pittoresques*. These elusive but much admired pieces refuse to do what you expect, and it's a self-effacing pianist

journey, and shaped the finale with as much attention to detail and certainty of purpose as any pianist I can recall.

She also showed a vivid feeling for atmosphere and colour in Debussy's *Estampes*, in which the piano dissolves in suggestions of a gamelan, or guitars, or the sound of rain. And in four pieces from Albeniz's *Iberia*, she relished dissonant crunches and inclusive rhythms with infectious enjoyment. What's more, she negotiated the unplayable far-flung textures of "El Corpus en Sevilla" stylishly.

In Debussy's *L'Isle joyeuse* it's always hard to escape the feeling of a succession of technical hurdles (Ravel criticised it for sounding like a transcription of an orchestral piece), but if Cooper was a little short of its final sense of abandon, she got pretty close.

ADRIAN JACK

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## Wilde at heart

### THEATRE

GROSS INDECENCY

GIELGUD THEATRE

LONDON

TO CAST Michael Pennington as Oscar Wilde would, on the grim face of it, seem about as sensible as hiring a cactus to pose as an overripe melon or engaging Stephen Fry to create a definitive Oliver Cromwell. Playing Wilde now at the Gielgud Theatre, Pennington does, indeed, often give the impression that here's a man who would have been happier penning and improving a *Temperance* tract than composing *The Picture of Dorian Gray*.

What is heartening is how little this matters, for the arrangement of the material is so intelligent and compelling, and the Brechtian presentation style adopted is so apt and penetrating, that *Gross Indecency: The Trial of Oscar Wilde* triumphantly rises above the rather empty exhibition of acting still at its centre.

A big hit in New York, this play by Moises Kaufman now arrives in London in a fluent, incisive production by its author. The present tense of this ar-

tantalising capacity to anticipate modern preoccupations.

He is, for example, an ambiguous icon for the modern gay movement in that, at trial, he flatly denied his homosexual activities. It's typical of *Gross Indecency* that it addresses this issue by including a spoof interview with a trendy academic who floats the interesting notion that ironically, but for this trial, there might not be a modern gay movement since it was the original, for good and bad, of people being defined and defining themselves by their sexuality and it fixed in the public mind a limiting definition of what a homosexual is. It's possible that, with his love of perverse, pointed paradox, Wilde would have thought the phrase "gay liberation" a contradiction in terms. It's the strength of *Gross Indecency* that it airs these nebulous problems of identity at the same time as pinning down the disgusting politics behind Wilde's suffering. The play movingly shows how

he was used as a lightning conductor to deflect attention from a Liberal Government itself rife with what, in their cases, one might call the lust that dared not speak its name. Superbly played, the unmediating line-up of male prostitutes who were paid by the Crown to

give evidence against Wilde (bribes ironically more corrupting than any Oscar pressed on them) also double as juries, narrators, female whores and dignitaries such as George Bernard Shaw and Frank Harris. Occasionally, they remind you of Esther Rantzen's young male co-presenters on the late, unlaughed *That's Life*. In fact, all this play lacks is a "funny" phallic vegetable.

PAUL TAYLOR  
Booking: 0171-994 5065. A version of this review appeared in later editions of yesterday's paper



Michael Pennington as Oscar Wilde

Geraint Lewis